The NATIONAL UNDERWRITER

Life Insurance Edition

FRIDAY, JANUARY 2, 1953

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U.S.A. 57th year No. 1, Friday, January 2, 1953. $6.00 per year (Canada $7.00, Foreign $7.50). 25 cents per copy. Entered as second class matter June 9, 1900, at the post office at Chicago, Ill., under Act of March 3, 1879.

LIFE
INSURANCE
EDITION

The NATIONAL
UNDERWRITER

January 2, 1953
37th Year, No. 1

1952 Gains Biggest Ever; New Year Seen Even Better

New Life Sales Near $33 Billion, Policyholders Now Number 88 Million

Life insurance ownership by American families made the greatest gains in 1952 of any year in the history of the business, according to the Institute of Life Insurance.

Total of life insurance owned by the nation's 88 million policyholders reached an estimated $275,800,000,000 at the turn of the year, a rise of $22,700-000,000 in the single year and $124 billion more than was owned at the close of World War II.

Life insurance outstanding in the U. S. has doubled in the past 10 years, nearly tripled in 20 years and more than quintupled in 30 years.

Purchases of new life insurance soared to a record $32,900,000,000 in 1952, more than twice the purchases seven years ago in the last year of World War II. The past year's purchases were three times the 1940 total.

• • •

"Never before have American families added so much to their financial security programs in a single year," Holgar J. Johnson, institute president, said. "This is the seventh consecutive year of large additions of new life insurance. In these seven years, almost as much has been added as existed in total volume in 1947, indicating the desire on the part of the American people to build the financial security for themselves and their families through the instrumentality of life insurance."

The average per policyholder is now $3,100, compared with $2,100 seven years ago. Although the average policyholder thus owns half again as much life insurance as he did at the war's end, much of the gain has been offset by the inflation which has taken place since then.

Taking into account the rise in cost of living, the buying effectiveness of the average policyholder's life insurance has risen little in the past seven years. Carrying this comparison back to 1929, it is found that life insurance per policyholder has more than doubled, but related to the cost-of-living index, the rise has been only about 30% in the 23 years.

• • •

"This is clear-cut evidence that, great as the gains seem from the aggregate for the business as a whole, they reflect largely a steady effort to keep pace with inflationary trends," Mr. Johnson commented. "America is far from adequately insured when the average per policyholder, even on the inflated dollar, is not much over $3,-000."

Payments to American families by life companies also reached a new high in 1952, for the first time topping $4 billion. This was half again as much as the amount paid in 1945. Aggregate benefit payments in the seven years since the war have been over $24 billion, which is more than half the total

(CONTINUED ON PAGE 16)

Johnson Cites Factors That Will Buoy Up Production in 1952

Life insurance can look forward to additional gains in the coming year, perhaps the greatest ever, Holgar J. Johnson, president of Institute of Life Insurance, predicts. He expects these gains to outstrip even the jump in the nation's population.

Ownership of life insurance will come very near the $300 billion mark in this country by the end of 1953—double the amount outstanding at the end of World War II. Policyholders will probably number some 20 million more than there were at the end of 1945.

• • •

Purchase of new life insurance will probably exceed even the record buying of 1952, as more and more families bring their life insurance programs in line with the increased needs. This should be true, even if there is some economic slackening off in the year.

Added factors are likely to stimulate the purchase of new life insurance. For instance, the farther removed from the period of war shortages, the more families will find themselves eased from the initial strain of taking on large commitments, such as new homes, new cars, household appliances and the like.

• • •

Currently, total life insurance premiums represent only about 3% of national income. There is much room for expansion, as demonstrated by the fact that during the '30s, premiums ranged between 5 and 8% of income. Furthermore, great as the aggregate of life insurance now is, it still averages only about one year's income per family. Until that ratio is bettered, there

(CONTINUED ON PAGE 16)

Three Named as New Field Vice-presidents by New York Life

New York Life has appointed Leland F. Lyons, G. Thomas McElwrath and V. V. Van Leuven as field vice-presidents and Robert S. Hussey, former Philadelphia manager, as superintendent of agencies at the home office.

Mr. Lyons, formerly assistant vice-president in charge of group sales, who will head the northeastern division, and

G. Thomas McElwrath

V. V. Van Leuven

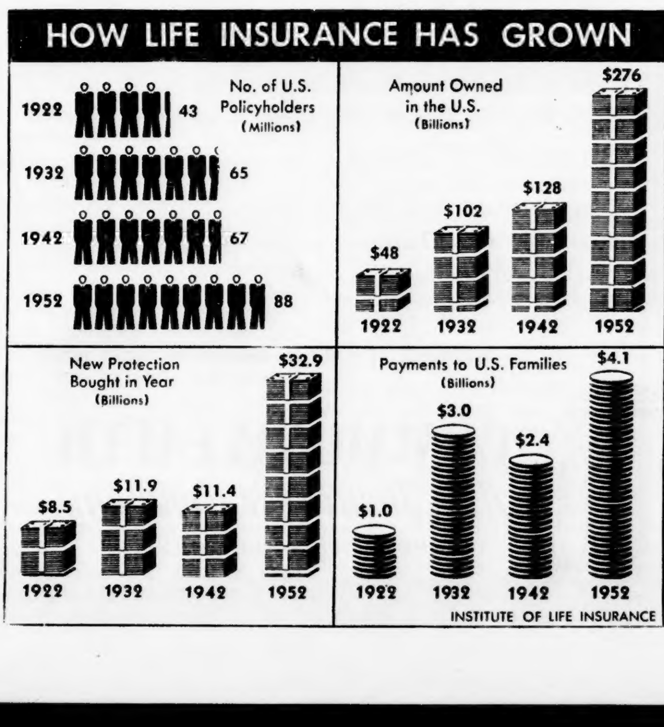
Mr. McElwrath, formerly superintendent of agencies, who becomes head of the southeastern division, will have their headquarters in New York City. Mr. Van Leuven, formerly superintendent of agencies in charge of the intermountain territory, will head the mountain division with headquarters at Denver.

FIRST COMPANY REPORT

Conn. Mutual Has Best Year Ever in '52

Connecticut Mutual Life in 1952 chalked up the best year in its 106-year history. A total of $272,006,699 new business was paid for during 1952, an

(CONTINUED ON PAGE 16)



Insurance Teachers Compare Notes at Chicago Meeting

Problems Basic and Complex Aired in Panel Discussions; New Officers Announced

The one-day annual meeting of the American Assn. of University Teachers of Insurance was held at Chicago Monday of this week.

With two exceptions the officers elected were the same as those for last year. C. M. Kahler, University of Pennsylvania, is president; vice-president is Laurence J. Ackerman, University of Connecticut. The new secretary-treasurer is William T. Beadles, Illinois Wesleyan, who replaces J. Edward Hedges of Indiana University. Members of the executive committee are Erwin A. Gaumnitz, University of Wisconsin, past-president of the association; Paul Abbott, Insurance Co. of North America and Charles C. Center, University of Wisconsin. The new executive committee member is Herbert C. Graebner of Butler University, replacing I. J. Sollenberger, University of Oklahoma.

The first item on the agenda was a panel discussion on methods for better teaching of the basic survey course in insurance in various colleges and universities. Charles C. Center, University of Wisconsin, was the moderator. Participants were David A. Ivry, University of Connecticut; John S. Bickley, Ohio State; Ralph H. Wherry, Pennsylvania State College, and Mr. Beadles.

• • •

All of the speakers admitted that the basic course was in need of improvement, and with one exception seemed to follow the same general pattern for teaching the course. The chief difficulty appeared as exactly what to teach in a class where some of the students expected to go on to advanced courses as insurance majors, while others were filling in a business commerce course by attending one basic survey insurance course. Regardless of the number of insurance courses planned by the students, the main idea expressed by the speakers was based on making the students more intelligent buyers of insurance, the consumer or buyer approach being the predominant teaching aim.

Specific problems, such as involved in rate making, underwriting, reserves, etc. were to be left for advanced courses.

Mr. Ivry, who was the first speaker, gave the University of Connecticut's method as first "rubbing off the edges," and then as the first specialized project, a five-week study of life insurance. The second project was given as accident and sickness; followed by fire and allied lines; inland marine; public liability; automobile. He emphasized the fact that the instructor has to be enthusiastic and must believe and have convictions in his subject so the students will be genuinely stimulated and appreciate the role of insurance.

(CONTINUED ON PAGE 15)

Can Economy Stand Actuarial Soundness for Pension Plans Generally, Actuary Asks

Can the United States really stand actuarial soundness in pension plans generally, in view of the large accumulation of investments that this would involve?

This question was put by Dorrance C. Bronson, vice-president and actuary of the Wyatt Co., in his paper presented at a joint panel meeting of the American Statistical Assn., American Economics Assn., Industrial Relations Research Assn., and American Assn. of University Teachers of Insurance held at Chicago. Henry W. Steinhaus of the president's staff of Equitable Society, was chairman of the session. Another paper was delivered by Ray M. Peterson, 2nd vice-president and associate actuary of Equitable Society.

"If all employers with 50 or more employes were to set up actuarially sound plans, it might entail—when such plans became fairly mature—reserve assets approaching the present national debt," he said. "Would our capital plant and its productivity keep pace with the savings necessary to represent this degree of actuarial soundness?"

• • •

Mr. Bronson also discussed some of the consequences of lack of actuarial soundness, citing the railroad situation prior to the railroad retirement act, calling attention to the coal fund, and raising the question as to what extent, if funds are not sound, an ultimate bailing out by nationalization of the pension plans might ensue.

"Fortunately most industrial pension plans are proceeding on a basis which would not bring them to these straits but this, in the main, has been during a period of ready money and high tax rates, so that whether these indicated good intentions of making contributions on an actuarially sound basis will continue in a different economic milieu is one of the questions for the future," he said.

Mr. Bronson said revision of the social security benefit system to include all present aged, as is being done in Canada and as is being currently subjected to a referendum here by the United States Chamber of Commerce, would resolve much of the argument for and against the accumulation of large reserves in the social security system and would make the tax rate immediately responsive to any increase in the liberalization of benefits.

• • •

Mr. Bronson's paper defined the actuarial sound pension plan as one where the employer is completely informed as to the future cost potential of the plan and arranges for meeting those costs through a trust or insured fund on a scientific, orderly program of funding under which, should the plan terminate at any time, the then pensioners would be secure in their pensions and the then active employes would find an equity in the fund assets reasonably commensurate with their accrued pensions for services from the plan's inception up to the date of its termination.

He said that as a minimum for actuarial soundness the employer should currently fund the pension credits applicable to the years elapsing after the plan's inception and should, by retirement age, have funded the past service credits for the then retiring employes.

"These definitions will not satisfy all parties, some feeling they are too tight and some not tight enough," he said. "At best, the concept of actuarial soundness falls in a penumbra of meanings and techniques."

The actuarial reserve, in the sense of assets in the fund, has three different purposes, said Mr. Bronson. The main one is to stand as the security for benefits under a running presumption that the plan will terminate, because if a plan is to continue in perpetuity, the reserve only serves to earn interest to help pay the pensioners. It is only when the plan terminates that the security for pensioners and employes represented by the reserve demonstrates itself.

A second purpose is to provide a structure for the scientific orderly funding of the plan. A third purpose of the reserve, of rather recent origin, is to make money for the employer or, sometimes, to earn increased pensions for the employes. This purpose is illustrated by an investment policy for the fund aimed at substantially higher yields and/or capital gains, than are required by the rate of interest assumed by the actuary in making his computations. Thus, any investment return earned above the actuarial rate would revert annually to the employer's credit.

Mr. Bronson pointed out that the true pension costs really lie only in the actual disbursements under the plan, which cannot be changed by actuarial assumptions. The actuary can only estimate and level out his estimates for orderly funding. These estimates involve numerous assumptions. He said a great many pension plans in industries are on a sound actuarial basis but said that those of the pay-as-you-go or terminal fund variety, or where there is only a balance-sheet reserve, are not deemed actuarially sound in the sense of the definition in Mr. Bronson's paper.

N. Y. Association To Run "Financial Forecast" Panel

Four New York City newspaper financial editors will be on the panel on "Financial Forecast for '53," sponsored by the New York City Life Underwriters Assn. Jan. 8 at 2:30 p.m. at the Statler hotel. Clifford B. Reeves, Mutual Life vice-president, will be moderator. The panel includes Ralph Hendershot, New York World-Telegram & Sun, Sylvia F. Porter, New York Post, Donald I. Rogers, New York Herald Tribune, and George Shea, Wall Street Journal. A question and answer period will follow. Members and their clients, accountants, lawyers and trust officers are invited.

H. W. Barnard to Retire

Harry W. Barnard, vice-president of the Spectator for 30 years and in the sales end of the publishing firm since 1904, retired Dec. 31. He has traveled extensively throughout the U. S. and Canada, calling on fire, casualty and life people.

$200,000 Damages Asked

Constitution-Bankers L. & C. Merger Gets Stockholders' O. K.

Stockholders of Constitution Life of Los Angeles on Dec. 23 voted to approve the proposed merger of their company with Bankers Life & Casualty of Chicago. Approximately 85,000 shares of the 100,000 outstanding shares were voted for approval.

Constitution is respondent in the action brought by Jennison Heaton of Pebble Beach, Cal., to prevent the merger. The company filed a motion before Superior Judge A. C. Wollenberg at San Francisco asking for a change in venue to Los Angeles courts, and Judge Wollenberg set Jan. 6 as the date for argument. All procedures in the case thus were suspended, including that part of the order to show cause why the stockholders should not be restrained from holding the meeting for a vote on the merger.

• • •

Heaton is also asking damages in the sum of $219,056. He has also filed an action to restrain Commissioner Maloney of California from approving the merger agreement until the courts have adjusted the litigation.

The suit names John MacArthur, president of Bankers L. & C.; Ross Bohannon, former president, and Homer W. Snowden, former vice-president of Constitution; President Frank J. Hogan, and Vice-president Gale R. Stillwell and other officers and directors of Constitution, and 10 John Does.

Heaton alleges that he advanced $243,950 to Bohannon and Snowden to purchase 52,000 shares of the outstanding 100,000 shares of Constitution Life, and that an agreement was made in reference to his rights in respect to the stock. He says that 31,000 shares later were deposited with American National Bank of Galveston, Tex. in connection with a loan of $475,000 and that 11,000 shares were deposited with Trans-America Corp. in connection with a loan of $200,000. These two transactions, he says, resulted in his lien rights being shifted from a first to a second lien. John MacArthur paid off the American National Bank and Trans-America lines and took possession of stock along with fee simple title to 30,000 acres of land near Alamesa, Colo., and Heaton states that MacArthur retained possession of the stock and declined to return the certificates to him. This transaction, the suit declares, again placed Heaton's lien in the place of a first lien.

Berkshire's Bettis Agency Wins Performance Plaque

Berkshire Life has awarded the 1952 S. S. Wolfson Plaque to the James E. Bettis agency, Indianapolis, for the most outstanding all-around performance during the annual Berkshire Boosters Campaign.

Final results showed the attainment of 126.3% of the overall campaign quota of paid production. The paid life volume was 117.8% of quota. The A. & H. paid yearly premium was 144% of quota.

George Feldman, Jersey City, was top personal producer among the agents, and Joseph D. Wasserman, Jersey City leader among general agents and staff men.

"HARTFORD PLAN" SPREADS

Training Community Chest Workers Proves Success; Managers Conference to Push It

The Hartford plan, under which life ıen train community chest workers in ales techniques, also proved so effect- e in the recent Washington, Indian- polis and Denver drives in boosting ontributions and promoting prestige r the life insurance business that the eneral Agents & Managers Confer- nce of National Assn. of Life Under- riters plans to promote extensive use f the plan by local managers associa- ons in 1953, according to John D. arsh, Lincoln National, Washington, .C., chairman of the G.A.M.C. and ice-president of N.A.L.U.

In addition to the four cities using e plan in their recent campaigns, hicago, Little Rock, Newark, Dallas, exington, Wheeling, W. Va., Pitts- urgh and Chattanooga expect to use e plan next year. Paul H. Conway, ohn Hancock, Syracuse, chairman of e G.A.M.C. committee on relations ith other organizations, said he had eceived at least a half dozen more quiries from other cities interested in e plan.

After Hartford's Community Chest ailed to meet its contribution goal for everal years, Charles J. Zimmerman, anaging director of L.I.A.M.A., de- ided that insurance men, with their reat background of sales training and echniques, could assist chest workers n obtaining solicitations by training hem in how to approach prospects. wo years ago the plan was put into ffect in Hartford. Both the 1951 and 952 campaigns went over the top. Frank H. Devitt, Capitol Life, Den- er, former chairman of the committee n relations with other organization of he managers conference, was respons- ble for much of the spade work done uring the past year, spreading the word and obtaining the backing of arious interested local managers as- ociations.

• • •

Mr. Conway expressed a desire to ontinue to encourage the use of the Hartford plan by as many local groups s possible. He feels that the success f the plan, not only in Hartford, but n Washington and Denver in 1952, ndicates its general usefulness in those reas where groups have not yet been uccessful in organizing a well inte- rated training program for workers. Mr. Conway said the plan is to make he Hartford plan an annual project n as many cities as possible. The as- ociations are included.

Last year the managers conference romotional assistance began late in une, so the use of the plan was limited o only a few cities. By beginning arlier this year it is hoped its scope nd usefulness can be increased. Mr. onway said that plans for the pro- notion of the program will be acti- ated as soon after the first of the ear as possible.

A remark by William R. Tooker, hairman of the solicitors and train- ng committee of the managers asso- iation in Washington, D.C., is indica- ive of the reception of the plan by ocal chest directors. He said, "You night be interested in knowing that when this idea was presented to the ocal Community Chest people they were very much enthusiastic about it nd bought it lock, stock and barrel."

Kenneth L. Anderson, senior consultant of L.I.A.M.A., who succeeded Mr. Zimmerman as chairman of the worker training section of the Hartford Community Chest, said that his group began its work in February because of the great importance the Hartford people now attach to the program.

Mr. Anderson began by preparing a manual for field workers and a script to guide worker trainers, who were mainly training men from local insurance home offices and agents in the field. The manual used included instructions, humor and inspirational material. After meeting with his group of worker trainers, Mr. Anderson chose 25 men who exhibited the greatest ability to train the chest workers.

Ready for active duty, the worker trainers were dispatched to train groups as requests were received from the Community Chest. Thirty-six training sessions were held and a total of several thousand workers was trained.

The manual prepared for the workers tells what the chest does and does not do. It tells the workers how to sell the Community Chest. It tells the worker how to approach the donor and how to handle the prospect's objections.

• • •

A worker training report is being prepared by the G.A.M.C. It outlines all the necessary information for the development of a training program in conjunction with the local chest, and describes how each step should be taken in developing worker training programs.

This report lists objectives as a broader understanding of the Community Chest, clearer concept of the sales nature of the job, tactful sales aids and suggestions to the worker to help him carry out assignments.

While the plan has been a success in Hartford, Mr. Anderson warned that after two years a new approach is necessary to keep "from wearing our ideas thin." He has not yet evolved a new approach, but with the many possibilities offered by the chest program, he feels its solution should not be too difficult.

The story in other cities is much the same. Mr. Devitt said that for the first time in four years the Denver Community Chest went over the top. The Denver training program included visual "flip charts" used by 30 selected agents. These men averaged four talks apiece to members and groups who represented the special gifts and individual gifts committees of the chest. Mr. Devitt said the managers association had been asked to do the training again next year.

Mr. Tooker, chairman of the Washington, D.C., training committee last year, said 22 meetings were held at which members trained chest solicitors. The attendance ranged up to 200. Twenty-two general agents and managers conducted these meetings, using a sales talk and distributing pamphlets. Mitchell Owen, John Hancock, president of the Washington managers association, said the program was a success, although not all objectives were obtained. It may or may not be repeated next year, although the managers are willing and would expect still better results.

The Indianapolis chest campaign did not fare so well as those in Denver, Washington or Hartford. It fell $68,000 below its goal, although $10,000 more was raised this year than last year. The generally accepted explanation for this is that the campaign conflicted with the local $10 million hospitalization drive and, also, many workers felt that with the change of administration in Washington, a lot of contributors were inclined to take the attitude of let's wait and see what's going to happen.

M. P. McCaffrey, general manager of the Indianapolis Community Fund, said that the participation of the Indianapolis general agents and managers association was an overall success. He felt a late start prevented proper organization of the program. The plan was successful enough, though, for Mr. McCaffrey to request the local managers association to train workers next year.

John O. Gaultney, New York Life,

(CONTINUED ON PAGE 16)

Pilot Life Gets Ready for 50-Year Celebration

More than 175 Pilot Life general agents, supervisors and managers attended a meeting at the home office at which plans were laid for the commemoration of the company's 50th anniversary. Shown here, from left, are Rufus White, vice-president Frederick Peirce, L.I.A.M.A.; O. F. Stafford, president; W. Lester Brooks, Jefferson Standard Life general agent at Charlotte, N. C.; J. M. Waddell, executive vice-president, and Samuel Shackleford of the Southern Methodist Institute staff.

Smaller Companies on a Par with Largest in Variety of Contracts They Offer

By ROY ROSENQUIST

Those who attend with any regularity the agency conventions of medium size and smaller life companies are struck with the fact that nowadays many such companies have as large a variety of policy contracts as the biggest companies in the business. Going back a dozen years or more ago, it used to be the case that because of their larger actuarial staffs the big companies were the ones that had the different and unusual policies. They tended to develop a large variety of contracts designed to fit every possible situation that could be served by life insurance. The smaller companies were simply unable to do anything of this kind and so found themselves at a competitive disadvantage.

Much of this has been removed now, perhaps because the smaller companies may have done no more than to simply duplicate the contracts of every kind being issued by the larger companies. The smaller companies and practically all the Canadian companies issue just about any sort of policy ever issued by any other company. Today companies of every size and age are offering term riders, joint policies, a full line of family income contracts, mortgage riders, double and triple protection, juvenile policies, etc.

May Be Rarely Sold

It is true that many of these contracts are not commonly sold, but the companies are nevertheless able to issue them if one is desired by an agent. It is found that sometimes an agent asks for a special policy only because he is in competition with another company that has one. It may be that some companies have gone too far in the direction of having almost an inexhaustible line of policy contracts. They appear in some cases to be enlarging on the fanciness of policies issued by other companies.

This is especially noticeable in the juvenile field. The standard juvenile contract used to be the one issued for $1,000 with reduced death benefits if death occurred before age 5 or 10. The form was usually 20-payment life or 20-year endowment. Today a complete portfolio of policies is issued with full immediate death benefit except during the first year if the policy is issued at age under 6 months—some companies are even writing these policies with the full amount payable if death occurs within a week of birth. Yesterday juvenile insurance was elaborated upon by the introduction of the $5,000-or-$10,000-at-age-21 plan. Today the elaboration has been elaborated upon by return of premiums and income at age 65.

More Policies Needed

More policies are needed today than 20 or 25 years ago because the life insurance business has found ways that life insurance may serve the public that were not offered in the past. At the same time it could very well be that a bewildering variety of policies may be confusing and hence detrimental to many agents; at best, no more than distracting in many cases. The primary need for life insurance is still the same. Most prospects are still buying life insurance for purposes of protection.

It is still true that with nearly all prospects the need is for protection during the early ages and it is only in the later years when old age income becomes important, both in the mind of the applicant and the agent. The best that can be said of what seems to be the almost endless assortment of policies that are issued by some companies is that they are useful competitively and give the agent the feeling that his company is prepared to issue for him any policy that any competing company is writing.

87% of Personal Sickness Not Insured, New SS Study Shows; Reviews Costs

WASHINGTON—In 1951, private insurance met about 13% of the personal costs of sickness, leaving 87% to be met individually, according to latest report from Social Security Commissioner Altmeyer.

Combined total of private expenditures for medical care and loss of income due to sickness was $14.2 billion, according to the report. It says the "nation paid $2.4 billion in premiums for insurance against private sickness costs and got back $1.8 billion in benefits."

"The difference of $600 million, the net cost of the insurance, says an official statement, "equalled one-fourth of the premiums or one-third of the benefits."

The SS study shows that for all kinds of medical care the nation spent $8,816 million in 1951 and received $1,353 million in insurance benefits, or 15.3% of these private expenditures. The corresponding figures for 1948 were $7,288 million in expenditures and $606 million in insurance benefits (or 8% of the total).

• • •

Insurance benefits for medical costs have more than doubled in the four years. The proportion of the total medical bills met by insurance, however, has not increased correspondingly the study states.

Of the income loss due to sickness, amounting to $5.4 billion in 1951, the report shows 8.4% covered by insurance benefits of $456 million. This compares with 5.9% in 1948.

The study shows that if the estimated sickness costs are restricted to the kinds which are ordinarily covered by insurance, the total for the nation in 1951 was $10.6 billion. Private health insurance paid for one-sixth of this amount, leaving 83% uninsured. The portion that was uninsured varied with the type of sickness cost. For example, Altmeyer says hospitalization insurance benefits of $897 million covered 36% of the $2,471 million of private expenditures for hospital care, leaving 64% to be paid without insurance. Physicians' services cost $2,684 million, and insurance payments were $456 million, leaving 83% uninsured. Income loss insurable through the common types of insurance policies amounted to $3,562 million, and insurance benefits to $456 million, leaving 87% not covered by insurance.

• • •

"It is well-known that the total amount of private insurance against sickness has been growing rapidly," the report states, "especially in the case of group insurance." This new study shows that total premiums for both group and individual insurance policies increased from $1,391 million in 1948 to $2,409 million in 1951. In the same period, insurance benefits increased from $874 to $1,809 million. In 1951, the commercial insurers and nonprofit plans as a whole made larger returns to policyholders than in 1948-1950. Benefits, which were 63 cents on the premium dollar in 1948, rose to 75 cents in 1951. The corresponding figures vary among the different kinds of private insurance against sickness. Along with the relatively high return in 1951, a substantial number of insurers ended the year with no gain or even with a net loss on their A .& H. underwriting business.

"The rapid growth in the dollar volume of private insurance against sickness has been accompanied by a rapid increase in the number of insurance contracts in force and the number of persons having some kind or amount of insurance protection," the report says. The insurance industry reports that more than one-half of the population now has some insurance. The present study shows, however, that 83-87% of the total costs of sickness was still being met in 1951 by individuals and families and not by insurance.

W. L. Pickens, Dallas Oil Man, Buys Postal Life & Cas.

W. L. Pickens, an oil man of Dallas, has purchased control of Postal Life & Casualty of Kansas City. He is said to have paid $27.50 per share for 51% of the 100,000 shares. There was a stock dividend in January of 1952, raising the capital from $300,000 to $500,000. The par value is $5. At Dec. 31, 1951, the capital was $300,000 and net surplus $644,823, giving a book value of about $16 per share.

At Dec. 31, 1951, the assets were $8,842,078. In 1951, the premiums earned were $924,065, losses incurred $329,156, adjustment expenses $22,096, underwriting expenses $390,784 and underwriting gain $182,029.

Mrs. Nancy M. Brown is chairman, O. R. Jackson is president. One of the vice-presidents is D. A Hemenway, former Vermont commissioner.

Sterling Goes To Court Over Va. License Revocation

RICHMOND VA.—A State corporation commission order revoking the license of Sterling of Chicago to do business in Virginia will be reviewed by the Virginia supreme court of appeals.

Sterling appealed from the 2-to-1 decision handed down by the commission last July 28. The company said it was suffering irreparable damage, not only in Virginia but in other states.

The commission order said Sterling was permitting false information to be circulated as to the terms of its policies. It said the company tried to induce policyholders of other companies to exchange those policies for ones with Sterling by "misleading representations and incomplete comparisons of its policies."

At the time the commission revoked Sterling's license, it also revoked the license of two agents of the company, C. W. White and George D. Coffey, Jr. The three-man commission was unanimous in revoking White's license, but Commissioner R. T. Catterall dissented in the cases of Sterling and Coffey.

The cases grew out of the difficulties of Miss Katherine B. Nicholas of Richmond, who, evidence showed, gave up a health policy with Guarantee Reserve Life of Hammond, Ind., for a Sterling policy. She was unable to collect on the Sterling policy because the company claimed she had an eye cataract—for which she was operated upon—at the time she took out the policy.

Miss Nicholas testified that she had been assured she would lose nothing by transferring from one policy to another and that her Sterling policy would cover an eye operation.

The appeals were filed by Coffey and Sterling. White did not appeal.

Officers of Insurance Teachers Group

Officers of American Assn. of University Teachers of Insurance at Chicago convention: Clyde Kahler, University of Pennsylvania, president, and L. J. Ackerman, University of Connecticut, vice-president (both reelected), and Wm. T. Beadles, Illinois Wesleyan, new secretary.

Pink Retiring as Head of New York Blue Cross Plan

Louis H. Pink, for 10 years chief e ecutive of Associated Hospital Servic New York's Blue Cross plan, is r tiring as chairman. He will contin his association with Blue Cross in a advisory capacity.

Charles Garside, who succeeded M Pink as AHS president in 1950, w serve as president and chairman.

Mr. Pink became president of AH in 1943 after serving for eight yea as superintendent of insurance of Ne York. During his service, Blue Cro enrollment has increased from 1,250 000 to 5,158,000 as of Dec. 1, 1952. I income was less than $11 million 1942 and by the end of 1952 the com bined income of New York's Blue Cro and Blue Shield is expected to exce $100 million.

Mr. Pink has encouraged liberaliz tion of benefits to meet the public ne for more comprehensive health insu ance and believes that this is the m effective answer to proposals for com pulsory health insurance. He al urged the creation of United Medic Service, now the largest Blue Shie plan in the United States.

• • •

He will continue his activities housing, insurance, economics, educ tion and welfare fields. He is preside of Queensview, a cooperative housi development for middle-income fam lies, and of the Bridge-Johnson Hot a model lodging house. He was forme ly chairman of the New York sta housing board and a member of t New York City Housing authority. is chairman of the citizens conferen on international economic union a a director of Mutual Life, Nation Foundation for Infantile Paralysis, Lawrence University, Georgia Wa Springs Foundation, and Citize Housing & Planning Council.

Mr. Garside is a former chairman the New York state commission agai discrimination. He is a member of t board and former acting president the State University of New York.

Mr. Pink was honored at a dinn given by AHS officers and direct Dec. 30.

Retains Xmas Gift Ban

Shortly before Christmas Commi sioner Maloney of California issued repeat of his no-Christmas-prese pronouncement of 1951. Under t heading "Christmas Reminder," M Maloney published a mimeograph sta ing that insurance department peo were governed by the code of eth recommended by Governor Warr which prohibits the direct or indir acceptance of gifts or favors of a kind whatsoever from persons subj to regulation by the department, those acting in their behalf. There a no exceptions whatsoever to this ru he said.

He also addressed himself to the e ployes of the department in simi vein, expressing the opinion that "t strict observance of the rule prohib ing acceptance of gifts and favors fr persons having business with the d partment contributes immeasurably the integrity of our staff and the hi respect and esteem in which our e ployes are held by persons subject the regulation by the department."

Insurance Teachers Get Basic Course in Ramifications of Section 213

Section 213 was wheeled into the examination room, prodded and poked and given a thorough general check up at the annual meeting in Chicago this week of the American Assn. of University Teachers of Insurance. "Attending physicians" were Daniel J. Lyons, 2nd vice-president of Guardian Life, and Spencer L. McCarty, executive-secretary of New York State Assn. of Life Underwriters.

Leading off in the panel discussion, Mr. Lyons first gave a brief background of the section. He pointed out that the law pertains to companies domiciled in New York and also to companies domiciled elsewhere which are licensed to do business in New York, and it is applicable not only to expenses in connection with policies issued to New York residents but to all of the insurance expenses of the companies. It is not, therefore, a statute of only local or state-wide importance; its force since it applies to 88% of life business in the U. S., is felt throughout the nation, Mr. Lyons said.

• • •

Mr. Lyons suggested that the law should not be further amended but rather that it should be completely re-written. He said that any free society those who are regulated by law have the right to demand that the laws be written so that they can be thoroughly understood by reasonably intelligent people. Prominent actuaries and others disagree as to the limit which the present law places on agents' compensation. The agents themselves do not know. If the State of New York chooses to limit the commission rates of agents throughout the country, has it not the duty to state the limit thoroughly and understandably? There are many other obscurities in the law, he asserted.

He added that it is generally agreed that the purpose of the law should be to control the expense element of the cost of insurance for the New York policy holders of all companies authorized in New York. It should do this as simply as possible and should include only such provisions as is necessary to accomplish this purpose. Section 213 is not necessary to assure the solvency or to control of growth of life insurance companies. There are other laws already in the books which accomplish these two objectives, he stated. He further suggested that the law to control the expense element of the cost of insurance should be affected by means of one over-all limit on total expenses. The formula for this limit should be fair and equitable for all companies. It is not easy to produce such a formula, but it can probably be done, at least well enough to be generally acceptable, he averted.

Mr. Lyons then stated: "While in theory only a total limit is needed to control the expense limit and the cost of life insurance, we have to recognize the fact that life insurance companies have been operating with inside commission limits for a great many years. The removal of these limits might, for a time at least, create problems, as between companies. It may be, therefore, that some limit on agents' commissions should be continued within the total limit. If this is done, the agents are certainly right in demanding that the limit be clearly stated so that there will be no question as to what it is... Inside limits should be largely eliminated, although as a practical matter limit on agents' commissions may be advisable."

Mr. McCarty directed the attention of his audience not so much to the intricacies of the law, but to changes in the work of the agency forces which were not conetmplated when the present structure of the law was put together.

One of the major changes was servicing the business. In the year 1929, when the last comprehensive review of section 213 took place, the annual new life insurance purchased was $17.8 billion. In 1951 it was $30.8 billion, he said. The accumulated business on the books in porportion to new sales made the agency force turn their attention toward service.

Mr. McCarty pointed out that not only the business of the regular reserve life insurance companies, but other forms of protection required the agent's attention, including National Service Life insurance. For example, he pointed out that there was $51 billion of life insurance on service men with four options in the event of death to explain to the returning serviceman or his widow or family and that in many cities in the United States the Red Cross recruited committees of life insurance men to help them with the families of veterans who needed vital information on this insurance. This, he said, afforded one of the finest opportunities for agents to contribute voluntarily their specialized knowledge to the community.

• • •

The next example in the service concept was the adoption of the social security act, which, as with NSLI, was non-existent when the present formula was made up on section 213. With 89 million of the population under the act, the life underwriter making his daily calls is constantly asked to explain its provisions. And every new amendment starts new questions, he declared.

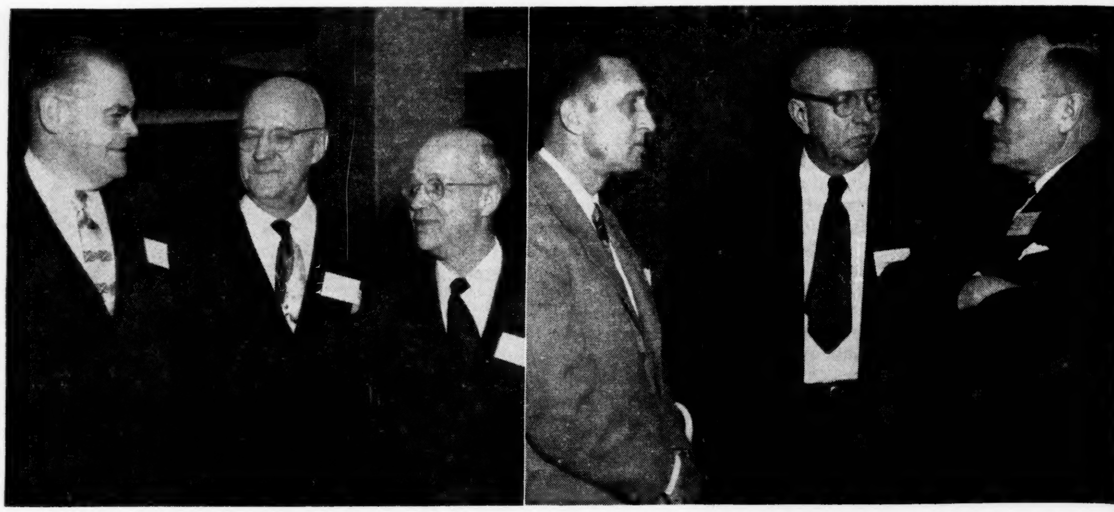
He then turned from servicing the business to formal pension plans, saying that not only does this further create the need for a simple explanation as a service to life insurance policy holders, but it turns the spotlight on the agency forces, where there was no provision made at the time section 213 was drafted to allow the management of life insurance companies to provide for their own workers anything like the pension rights, federal, state and industry have been offering its young men entering those fields of work. Providing money for service to old policyholders and pensions for the agents made it only natural that the pattern of limitation set up in an earlier era began to be strained and distorted, he asserted. As margins began to dwindle, awkward and improvised substitutions were submitted to the New York insurance department for approval and the almost dormant voucher system for agency expenses took on a new life. When the margins and allowances made up in 1929 were adequate for the business as it was then conducted, vouchers for expenses were used very little. When the business grew in size and began performing services not originally contemplated, then major problems arose, he said.

"The supervision of the business and limitations on expense under section 213 has had a salutary effect on life insurance", said Mr. McCarty. "The life underwriters have been quoted many times on that. With New York state the only state that significantly controls expense items, it becomes increasingly important for that one source to be right in its decisions. Any applications of laws or rulings that do not permit the fullest development of the life insurance business can have a deleterious effect on the public it seeks to serve whether that power is exer-

(CONTINUED ON PAGE 16)

Robert A. Hedges of University of Illinois and Ingolf Otto of University of Kansas City at insurance teachers meeting at Chicago.

Trio in huddle at insurance teachers convention at Chicago: Winfred Bryson, Jr., Morgan State of Baltimore; Irving Pfeffer of University of Pennsylvania, and Oscar R. Goodman of University of Wisconsin.



Informal views of personalities at insurance teachers convention at Chicago: Hampton H. Irwin, Wayne University; George J. Cooper, Wayne; J. P. Jones, University of South Dakota; Dr. W. H. Wandel, Ohio Farm Bureau; Edison L. Bowers, Ohio State, and David McCahan, president of American College of Life Underwriters.

$1 Billion in Force Mark is K. C. Life Golden Year Goal

Efforts at company accomplishments will be stressed this year when Kansas City Life celebrates its jubilee. President W. E. Bixby, speaking to general agents at their annual meeting, described the $1 billion insurance in force mark as the company's 1953 objective.

Plans for the jubilee include the Presidents' Club meeting at Boca Raton, Fla. and a two-day excursion to Havana to be awarded those members who meet certain production qualifications.

Mr. Bixby presented trophies to J. T. Allen, Sr., Denver, for his outstanding production record. Mr. Bixby also announced the new "billionaire" policy, especially designed for the jubilee year. The Golden Fifty, another popular plan sold by Kansas City Life, was first offered in 1946 to mark President Bixby's 50th anniversary year.

Lincoln National Life Managerial Posts Go to Three Reliance Men

Albert R. Enderle, Glenn G. Lamar and R. C. O'Connor have been named general agents of Lincoln National Life at Houston, Birmingham and Baltimore respectively.

A. R. Enderle

The appointments of Messrs. Lamar and O'Connor were reported in the Oct. 31 issue in connection with announcement of plans for merging Reliance Life with Lincoln National.

Mr. Enderle succeeds J. Bryan Stratton, who will devote full time to personal production.

Mr. Lamar who will direct the former Alabama department of Reliance, succeeds N. S. Tomlinson who is retiring after 32 years in that position.

Mr. O'Connor heads the former Seaboard department of Reliance with headquarters at Baltimore. Other Lincoln National Agencies at Baltimore are headed by J. S. Harris and Roy B. Lanham.

Mr. Enderle began in insurance

Glenn G. Lamar

R. C. O'Connor

nearly 20 years ago at San Antonio. He joined Travelers in 1940 and the following year was appointed field assistant at San Antonio. Following service, he was named field assistant at Jacksonville, Fla., becoming assistant manager there in 1946. He went to Houston as Travelers manager in 1950. Mr. Enderle is president of Houston General Agents & Managers Assn.

Mr. Lamar formerly was vice-president and superintendent of agencies of Reliance Life. A 30-year insurance veteran, he began as an agent for Reliance at Auburn, Ala., successively becoming manager of the Florida and Georgia departments and superintendent of agencies in the south.

Mr. O'Connor, in the business 25 years, formerly was assistant vice-president of Reliance. He started as an agent at San Francisco in 1925 and successively served as agency organizer at San Francisco, manager at Portland, Ore. and Cincinnati, agency supervisor for Texas, and assistant superintendent of agencies. He has been president of both Portland, Ore., Assn. of Life Underwriters and Cincinnati General Agents & Managers Assn.

Governor Browning Named as Tennessee Valley Life Chairman

NASHVILLE, TENN.—Governor Gordon Browning, whose four-year term ends Jan. 15, has been elected chairman of Tennessee Valley Life of Jackson, having recently purchased a "considerable block" of stock in the company.

Organized in 1935 as a fraternal, order, Tennessee Valley Life in 1950 merged with Southern Mutual Life, Knoxville, and converted to a legal reserve stock company writing life and A. & H. Mr. Browning will return to his home at Brownsville and will commute 35 miles to Jackson.

Tennessee Valley at the end of 1951 showed assets of $826,922; income for the year, $215,951; ordinary insurance in force $8,362,120 and industrial $1,694,234.

Plan DISC at Austin

Texas Assn. of A. & H. Underwriters in cooperation with the business school of University of Texas will sponsor a three-day disability insurance sales course at Austin beginning Jan. 19.

Classes will be at the Stephen F. Austin hotel. A number of leading producers and company men will comprise the faculty, and in addition to lectures, the course will include demonstration interviews by each student. The students will work out and present solutions to assigned problems, and then discuss the results.

Travelers' Training School Celebrates Golden Anniversary

The Travelers home office training school is marking a half-century of operation at a luncheon Jan. 5 at Hartford. Vice-president Esmond Ewing, in charge of the agency departments, will preside and speakers will include President J. Doyle DeWitt, faculty members, other Travelers officials and members of the present classes.

The school, said to be the oldest company-sponsored insurance training school in the world and the second oldest in-business training school, began as a school for casualty special agents. More than 25,000 salaried staff members and agents have been graduated.

In 1906, life and A.&H. lines were added to the curriculum as were other property lines subsequently. In 1919, Daniel J. Bloxham joined the staff to direct the new field guide course in life and A.&H. Ten years later, the life, accident and group section, headed by Mr. Bloxham, was separated from the casualty, fidelity and surety section. A two-week refresher course for field agents, given in the branch offices, was instituted in 1935. The first training of agents at the home office school was begun the following year by the life, accident and group section which inaugurated a four-week course, comprising 100 hours of instruction. More than 3,500 agents have been graduated from this section.

H. Curtis Reed, superintendent, training, sales research and promotion, heads the faculty of the life section. Faculty members are: Reid Hartsig, Milton F. Jones, Paul K. Browne, Albert M. Nelson, Robert B. Safford and James D. Smith, assistant superintendents; Robert W. Forcier and Russell E. Dexter, instructors, and James L. Howard, Jr., sales promotion assistant.

"United" Becomes "Union"

The name of United States National Ins. Co. of Shreveport, La., has been changed to Union States National on instructions from the office of the U. S. Attorney General, according to Walter Beilby, the president.

The Attorney General's office said it was acting on a complaint filed by the law firm of McNutt, Scoll, Longcope, Proctor & Lee for United States Life.

Thieves Break Into NALU Headquarters, Escape with $500

NEW YORK—Thieves broke into National Assn. of Life Underwriters headquarters during the Christmas weekend, jimmied the safe open and stole about $500, of which some $50 was in stamps and the rest in cash.

A newspaper report that the thieves threw away $20,000 worth of negotiable bonds without realizing their value was incorrect. The bonds are non-negotiable and plainly so marked, which was why the burglars did not take them. They are Series G war bonds from the last war.

The amount of cash and stamps in the petty cash box was about double the usual amount for various reasons, mostly connected with the holiday season. For example, some of the Christmas money for services of employes in the building had not yet been distributed. Also, stamps and money received for stamps from associations employes sending out Christmas cards helped to swell the total cash on hand.

Police have no clues to who might have committed the robbery.

CLU Institute to Get New Home in Wisconsin

Plans are going forward for establishing a permanent CLU Institute at the University of Wisconsin, which will be a midwestern counterpart of the institute at the University of Connecticut. The final decision will be made at the board session of the institute's annual meeting which will be held in Cleveland the last week in August in conjunction with the annual meeting of the National Assn. of Life Underwriters. This year's institutes will be held at the University of Wisconsin July 20-21 and at Connecticut Aug. 3-14.

San Antonio Club Elects

The newly organized Insurance Club of San Antonio, embracing all branches of insurance, has elected these officers: A. B. Haston, president; W. D. Bacon, vice-president; C. R. Vair, secretary. Directors are L. C. Beery, Don D. Caldwell, Marion Coulter, Frank B. Falkstein, Newton W. Jackson, W. A. Lawrence, E. B. Moore, Don Munson, R. W. Roten and M. Abbe Strunk.

Luminaries at insurance teachers' convention at Chicago: J. E. Partington, University of Iowa; K. S. Ogilvie, Western Underwriters Assn.; John W. Cowee, University of Wisconsin, and Winfred Bryson, Jr., Morgan State of Baltimore.

Merritt Resigns Wis. National Post

William W. J. Merritt, vice-president and director of agencies of Wisconsin National Life, has resigned. He was given a farewell luncheon at Oshkosh Dec. 30 that was attended by R. P. Boardman, the directors and officers and department heads of the company. Mr. Merritt was presented a set of luggage.

Until a new agency director is elected, the field program will be under the direction of A. L. Senderhauf and E. H. Metz, associate directors of agencies.

Mr. Merritt is a graduate of the University of Pennsylvania business school. He started in insurance with Guardian Life and for three years was educational director before joining the Bragg agency in New York as an agent. In 1943 he went with Continental Assurance at the home office as assistant to the vice-president in charge of the eastern department. He joined Wisconsin National as agency director in 1949. He plans to take a winter vacation in Colorado before announcing his future plans.

Plan Bills to Strengthen Tex. Surplus Requirements

Proposals to correct weaknesses in the laws concerning organization of limited capital and full capital stock life companies in Texas will be presented to the coming legislature, according to Life Commissioner Butler. Another measure to be submitted would increase the board of commissioners' authority with respect to approving life policies.

The law presently permits organization of a limited capital stock company with beginning funds of $25,000, whereas a minimum of $100,000 is to be recommended. Full capital stock companies would be required to have a surplus of $100,000. If at any time combined capital and surplus fell below this figure, the company would not be allowed to write new business.

The proposed legislation also would require legal reserve life companies to maintain a surplus of $100,000. Presently, such companies may be organized if they have 200 applications from individuals for not less than $500 life insurance each. This requirement makes it possible to insure, for example, 200 persons for $1,000 each with only $1,000 surplus.

If the $100,000 surplus requirement is approved, the net premium reserve, which is a reserve separate and distinct from the normal policy reserves computed actuarily, no longer would be required.

There also are provisions concerning payment of dividends, and benefits.

SUN FIRE NEW ARIZ. PROMOTION

To Sell Fire Insurer Stock to Life Policyholders

A statement has been filed with *SEC*, seeking registration of one million shares of a company to be known as Sun Fire of Phoenix, Ariz. The stock of $1 par value would be offered at $1.50 per share and commissions of 15¢ per share would be paid to salesmen. The stock offering would be made initially to policyholders of Sun Life of Arizona. Sale of a minimum of 200,000 shares is necessary to enable the company to qualify in Arizona. Sun Fire was incorporated last May. The principal promoter is R. R. Meridith. He is president of Sun Life of Arizona, which is an obscure company.

Limiting Clause Inoperative Until Proof of Death Filed

The period of limitation on a claim filed against Lincoln National did not start until proof of death was presented, the Iowa supreme court has ruled.

District Judge Franklin had decreed that the action, brought against the company by Clayton Burgardt of Des Moines, was barred by the limitation clause. Judge Franklin's ruling was reversed by the state supreme court, which held that the contractual period of limitation did not start until death was proved.

Furthermore, the Iowa court declared that the waiver of proof of death by the insurance company, which the plaintiff declined, did not start the provision operating.

Old Faithful Is Aborning

Old Faithful Life is the name of a new company that has been organized in Wyoming. This becomes the only life insurance company in the state. It is still in the incorporation stage. The head office will be at Cheyenne. Among the organizers are Don Correll, who was at one time assistant to the president of American Reserve Life, and later, director of agencies of Eagles National Life; Robert H. Johnson, former California state manager of Continental Casualty, and Donald M. Starnes.

Cleveland 11-Month Leader

Detroit Leads Boston, N.Y.C. in November Sale

Detroit, with a gain of 11%, showed the greatest increase in ordinary sales for November, while Cleveland led for the 11 months with gains to 16%.

Boston and New York City placed second in November sales with a 7% increase each.

Arizona at 30%; Louisiana with 25%, and New Mexico at 24% ranked in that order for November gains among the states. Arizona, 31%, and Louisiana, 25%, also led for the first 11 months.

Countrywide business for November was up 8%. Gains for the first 11 months were up 13%.

'52 Mortality Ratios Will Be Close to Best

Policyholders in the U. S. enjoyed another year of good health, according to preliminary estimates of life companies' 1952 mortality experience, the Institute of Life Insurance reports.

The death rate among policyholders is expected to be only slightly above the 1951 rate of 638 per 100,000, which was lower than for any year prior to 1949. The all-time low was 627 in 1950.

One of the factors contributing to the small rise in death rates in 1952 was an increased accident toll. While industrial fatalities were incurred at about the same rate as in 1951 and home accidents were slightly reduced, other accidents, including those involving motor vehicles, increased materially. The final tally may show motor fatalities at a record high for the year.

Another new low is expected in the tuberculosis death rate in 1952, while that from the combined cardiovascular-renal diseases, commonly labelled heart diseases, showed no material change. Heart diseases continue to account for about half of all policyholder deaths.

Robert G. McMillan of University of Illinois will address the January meeting of *Chicago Home Office Life Underwriters*.

EDITORIAL COMMENT

Association Police Arm a Potent One

Because the various life insurance organizations do so little in the way of exerting disciplinary pressure on their members, this function of an association sometimes tends to be overlooked. But actually it is there at all times, exerting perhaps its greatest influence when members are least aware of its presence.

What happens is that continued association and participation in affairs with the best men in his field exerts a powerful influence on ways in which the individual in that field conducts his business and the concept he has of it, particularly in its broad economic and social meaning. This is, of course, the best kind of discipline, the discipline of example. It is pervasive and continuous. It acts to generate and regenerate a better quality of work, a broader understanding and appreciation of the individual's place in and his contribution to the endeavor, and, expressed negatively, it imposes restraints to which a real majority respond, wholly or in part, unconsciously or consciously.

There are more direct exercises of discipline by such groups over individuals. There are many things that individuals will not do because the majority and especially the leaders do not do them and therefore the individuals do not have bad examples to which to respond. But not infrequently, individuals or even small groups within large groups, may start to do things and then are talked out of them by men with better judgment or broader and more responsible natures. There are visitations by leaders to individuals or such smaller groups; there are discussions. Much of the value of conventions, to illustrate, consists in talking over matters on which conclusions and action are not clear.

Additional law and enforcement may be needed in any field for the so-called 10% who do not recognize any rules that restrain their own immediate advantage. There are laws and enforcement in all fields for this 10% (or whatever percentage it is). At the other end are the leaders who can see the right way and carve out a path. This group, too, is a minority.

In between are the 50 to 75%. Here is the big job of discipline. Here it is the association or its equivalent that creates the substantial and ruling atmosphere of a trade, a business, or a profession. It is in this area that the association does most of the job of discipline. If it did not, or if there were not an equivalent substitute, then law and law enforcement could not do it. Remember prohibition?

Formula for Selecting the Topmost Brass

For life companies beset by the puzzling problem of what type of man to groom for top management posts we have some encouraging information: If the man in question applies himself industriously to his job, making himself master of all its details, conscientiously refusing to push drudgery off on someone else, he's not your boy. Instead, look for a fellow who wants to do things the easy simple way. Easy for himself, that is. The more cleverness he shows at avoiding time-comsuming routine work, the more likely he is to be a good top executive.

We have this on the word of Morris I. Pickus, president of the Personnel Institute of New York City. According to Mr. Pickus, the brilliant, lazy executive makes the best officer at the top-management level because he tends to avoid troublsome and time-consuming details. Thus, he maintains the perspective he needs. His plans tend to be simple, direct, and usually successful.

Mr. Pickus was addressing his remarks to the annual joint session of the Cigar Manufacturers Assn. and the Cigar Institute of America but he made it clear that he was not talking just about the cigar business.

Though the lazy, brilliant type of executive should be at the helm, "the stupid and industrious class of management is, unfortunately, in the greatest number and by far the most dangerous," Mr. Pickus warned. "Great damage can result from their actions. In backing ill-advised plans with zeal and energy, they may induce disaster. They are, in the main, responsible for the friction between rank and file and top management.

"Survey after survey have all pointed toward the inescapable fact that an astonishingly high percentage of American management personnel can be put in the stupid and industrious class."

Unfortunately, Mr. Pickus's advice, though it sounds as alluring as most panaceas, seems to have some bugs in it. For one thing, it is easy enough to find out who is lazy, in spite of dangerous tendencies toward diligence that may be lurking under the surface. But laziness is only half of what is needed for success at being a top executive. And it's not so easy to select a man who is "brilliant." A brilliant man can also be pretty impractical. So a lot depends on what definition of "brilliant" you are using.

But perhaps the main snag in the path of the successful application of Mr. Pickus's formula is that nobody loves the lazy, brilliant type of individual enough to promote him. More likely every man's hand will be against him. Naturally, the stupid, industrious type of executive will abominate the lazy fellow's laziness and will be too stupid to understand the reasons Mr. Pickus cites for his excellence.

Even in the relatively few—according to Mr. Pickus—corporations having brilliant, lazy leadership, the chances are against anyone else with those qualities getting very near the top level in management. For who are going to be the logical contenders for the boss-man spot in such a setup? Naturally, the industrious lads on whom the boss has been shoving off the detail work so that he could devote himself to big matters of executive decision. So maybe the only way the brilliant, lazy type of potential executive can ever hope to rise to the top is to pretend to be industrious, while simulating stupidity to the extent necessary to avoid the distrust that brilliance is likely to engender.

PERSONAL SIDE OF THE BUSINESS

S. P. Willard and *Mrs. Jeanie Willard*, retired head of the Woodmen Circle and past president of National Fraternal Congress, observed their golden wedding anniversary at their home at Denison, Tex. Mrs. Willard, who became active in Woodmen work in 1905, retired from active work two years ago.

Commissioner W. A. Sullivan of Washington and two members of his staff, Lee Kueckelhan, chief deputy, and George McAteer, staff examiner, were passengers on a Milwaukee streamliner which was wrecked near St. Marys, Ida., as they were returning from the N.A.I.C. meeting at New York, but all escaped injury.

Foster A. Vineyard of Campbell & Vineyard, general agents at Little Rock for Aetna, has been elected 1st vice-president of the Little Rock Chamber of Commerce and reelected to the board.

Raymond Roach, Qakland, Cal., was honored by New York Life associates at a luncheon there marking his 50th anniversary with the company. Mr. Roach consistently has qualified for production clubs and a highlight of his record is some $10 million of new business placed on the lives of nearly 4,000 college seniors.

M. A. Kern, president of All-American Casualty of Chicago, is enjoying a stay of several weeks at Los Angeles.


Morley M. Zobler

Appointment of *Morley M. Zobler* as associate manager of the New-York-Oshin agency of Home Life was reported in last week's issue. He has been assistant manager of the agency.

John W. Carpenter, president and chairman of Southland Life, was honored by associates of Texas Power & Light Co. on his 50th anniversary with that company. Mr. Carpenter, now board chairman of T.P. & L., was general manager for 30 years before his election as president.


Thomas W. Melham

Appointment of *Thomas W. Melham* to the helm of Prudential's Manhattan agency in New York City was announced in last week's issue. He has been agent and assistant manager for Prudential at Milwaukee. Before he joined Prudential in 1937 he was with Central Life of Iowa at Milwaukee. Mr. Melham's assignment follows transfer of Saul S. Vort to Newark.

William C. Weaver, Jr., vice president of National Life & Accident, has been elected a director of Nashville Chamber of Commerce.


Karl D. Reyer of Louisiana State and J. A. Fitzgerald of University of Texas at insurance teachers convention at Chicago. Fitzgerald is a former president of A.A.U.T.I.

The NATIONAL UNDERWRITER
—LIFE INSURANCE EDITION
PUBLICATION OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
CIRCULATION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio

Editor: Robert B. Mitchell
Associate Editors: Richard J. Thain, Charles C. Clarke and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman and Donald F. Johnson.

Executive Editor: Levering Cartwright.
Advertising Manager: Raymond J. O'Brien.
Teletype CG-654

ABC

Howard J. Burridge, President.
Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. Carl E. Weatherly, Jr., Southeastern Manager.

BOSTON 11, MASS.—210 Lincoln St., Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Avenue, Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1102 Lafayette Bldg., Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

LAWRENCE L. WRIGHT, 65, retired manager of Metropolitan Life, died at his home at Atlanta after a long illness. He was with Metropolitan Life for 43 years before retiring five years ago.

FRED M. BULLOCK, 77, for 44 years with Mutual Benefit Life, died at St. Luke's hospital at Saginaw, Mich., where he had been manager for several years. He started in insurance at Port Huron in 1908, going to Saginaw in 1912. He was a past president of Saginaw Life Underwriters Assn.

VICTOR M. CUTTER, 71, a director of New England Mutual Life since 1923 and a member of the finance committee, died at Falls Church, Va. He was president of United Fruit Co. from 1924 to 1933.

LAWRENCE E. BALZA, 52, New York Life, Green Bay, Wis., chairman of Wisconsin Life Leaders Round Table, died unexpectedly at his home of a heart attack. Mr. Balza was a life member of the Million Dollar Round Table, and popular as a speaker before various life organizations throughout the country.

FREDERICK WALKER SINCLAIR, who had been prominently engaged in the insurance business at New Orleans for 45 years, died at his home there at the age of 74. His health had been impaired about a year and a half. He worked in a bank at Birmingham, Ala., before going to New Orleans. He was chairman of the agency at the time of his death, his son F. W. Sinclair, Jr. being the president. Until nine years ago, the Sinclair agency served as general agent for Travelers for the entire state of Louisiana.

THOMAS G. TABB, 77, retired partner of the Tabb, Brockenbrough & Ragland agency, died at Richmond. He entered insurance shortly after leaving school. About two years later he formed a partnership to take the agency of Travelers for Virginia, West Virginia and North Carolina. He retired from active business in 1946.

Mr. Tabb was a past president of Insurance Exchange of Richmond, Virginia Assn. of Insurance Agents and Virginia Life Underwriters' Assn.

CLEVELAND H. GOWRAN, 66, former assistant superintendent of Prudential at Chicago, died in his home in St. Petersburg, Fla., where he had lived since his retirement two years ago.

LEONARD L. BUNNEY, Mid-West life agent at Ogallala, Neb., lost his life during a blizzard in that area.

MRS. M. RUTH DANIELS, cashier and office manager at Wilkes-Barre for Metropolitan Life, died at the age of 59. She was state vice-president of Metropolitan Life Insurance Veterans' Assn. and had been with the company 35 years.

EDWARD J. PETERSON, 51, for 26 years an agent for Prudential at Racine, Wis., died in a hospital there several hours after being taken ill.

Canada Life Names Harris Eastern U. S. Superintendent

Canada Life has appointed John S. Harris superintendent for the eastern United States. Mr. Harris has been with the company since 1947. He entered the business in 1927.

John S. Harris

Also advanced are A. G. MacKenzie, superintendent of agencies, to consulting superintendent and manager at Toronto; R. G. McDonald, comptroller of agencies, to assistant to the vice-president of agencies, and G. C. Tompkins, assistant superintendent of agencies, to superintendent of field training.

Bureau Yearbook Printed

The 1952-53 yearbook of Bureau of of A. & H. Underwriters has been printed. The new 100-page book contains a directory of member companies as of November, 1952, and a list of the entire committee structure. It also includes the constitution, a brief history of the organization and a list of all past officers as well as a listing of the dates and places of all annual meetings.

Cal. Association Lauds Editorials on Sales to G.I.s

California State Life Underwriters Assn., at its meeting at Fresno, held jointly with the Central California association, adopted a resolution commending various daily papers for their editorials on the sale of life insurance to service men on bases by agents and companies not licensed in the state.

One such editorial, in the San Francisco Call Bulletin, stated that already the sixth army headquarters had announced that a directive was being prepared to protect service men from unscrupulous life insurance agents but said that "such protection shouldn't be confined to the jurisdiction of the sixth army and that steps should be taken generally to establish for all reservations minimum standards governing the sale of insurance on those reservations."

Leaders at the joint meeting of the California and Central California life underwriters associations: seated, Kellogg Van Winkle, Equitable Society, Los Angeles, national committeeman of the state association; and Edwin Wood, Phoenix Mutual, San Francisco, president of the California association; standing, Arthur F. Renning, Prudential, Fresno, president central association and Alpheus J. Gillette, Connecticut Mutual, San Diego, vice-president of the California association.

The meeting was followed by a sales congress. Jack White, Prudential manager at Los Angeles, spoke on planning for 1953, with emphasis on clientele building activity. He said that while most people believe in life insurance the agent's big job is to encourage them to put this belief into practice, just as most people believe in religion but need the clergy to help them practice religion.

Hal Van Cleave, Massachusetts Mutual, Los Angeles million dollar producer, told how he makes use of lawyers and tax accountants as centers of influence to promote his prospecting and selling. He said one firm of lawyers was instrumental in realizing some $11 million of life production for him over a period of several years.

Chester Ashford, Pacific Mutual, McFarland, Cal., also an M.D.R.T. member, sells ranchers and farmers and is a member of the county school board and also has a real estate and investment business. He talked on life insurance and what it does.

William Gould, Massachusetts Mutual, Los Angeles, said the failure of agents to make sales is usually due to poor mental attitude rather than lack of mental capacity. He said the successful salesman must excel in physical, mental, social, financial and spiritual qualifications.

Forrest Heads Akron Unit

John M. Forrest has been appointed manager at Akron for Mutual Benefit H. & A. Anton M. Gall will head the Akron area claims department.

Mr. Forrest went with the John B. Lambert & Associates northeastern Ohio agency in 1949 as supervisor. In 1952 he was promoted to manager in charge of sales. He at one time was general agent for Columbus Mutual Life and assistant to the vice-president of Kentucky Home Mutual Life.

CHANGES

AttKisson Is Chapman Successor at Richmond

Basil I. Chapman has retired as Maryland Life general agent in Richmond, after 41 years in that post. He is succeeded by William B. AttKisson.

Mr. Chapman entered life insurance in 1902 as an agent for Life of Virginia, advancing in 1904 to assistant superintendent. He will continue as general agent emeritus.

Following naval service, Mr. AttKisson joined Maryland Life in 1946 at Richmond and has been associate general agent.

Curtis P. Bowman Retires; 54 Years with Life of Va.

Curtis P. Bowman has retired as manager at Staunton, Va., for Life of Virginia. He had been in this position for 42 years. Mr. Bowman started with Life of Virginia in 1898 at Charleston, and went to Raleigh, N. C., Hampton, Va., and Newport News, Va., before his assignment in Staunton.

Aubrey M. Foltz will succeed Mr. Bowman as manager at Staunton and Frank L. Summers will be associate manager. Mr. Bowman will continue with the company as special representative.

McKinney Made Hancock Partner at Little Rock


Richard H. McKinney

Richard H. McKinney, with the Little Rock agency of John Hancock since 1933, has been taken into partnership there with the title of general agent. He will be associated with Robert M. Williams, general agent.

Mr. McKinney was one of the organizers of the Leaders Round Table of Arkansas and its first secretary. He attended University of Virginia and is a navy veteran. In 1951 he was appointed associate general agent at Little Rock.

Mason Gets Phoenix Post

Prudential has appointed Richard O. Mason manager at Phoenix, following the transfer of E. Richard Turpin to the east.

Joining the company as an agent at Phoenix in 1943, Mr. Mason was promoted to assistant manager in 1944 and to manager in 1947. In 1950, he was named manager at Portland, Ore.

State Mutual Names Ayres

State Mutual Life has appointed Donald W. Ayres associate general agent for the Benjamin W. Ayres general agency at Worcester, Mass.

Mr. Ayres has been with his father's agency since graduation from Dartmouth College.

Prudential in Virginia

Prudential has expanded its Charlotte group sales office to include the state of Virginia. The North Carolina office expects to service more than $231 million in group insurance contracts. Lloyd H. Hembree is in charge of the Charlotte office.

Worthen Regional Manager

W. G. Worthen has been named Corpus Christi-Valley regional manager for Southwestern Bankers Life of Corpus Christi.

Donald E. Graves has been appointed co-head of Prudential's Kokomo, Ind., office. He shares responsibility with Wallace A. Slaughter. Mr. Graves had been an agent at Columbus since 1948. He is vice-president of Tri-County Assn. of Life Underwriters.

Braunig New Mutual Benefit Salt Lake General Agent

Jack H. Braunig has been appointed general agent at Salt Lake City for Mutual Benefit Life.

Mr. Braunig has been assistant manager at Dallas for New York Life. Before that he was an agent and supervisor in New England for Massachusetts Mutual Life.

JOHN W. STEDMAN, 72, retired vice-president of Prudential, died in New York City. He joined Prudential in 1915 as assistant treasurer, became 2nd vice-president in 1918, and vice-president in charge of investments in 1924. He retired in 1946. Born in Danvers, Mass., he was educated at Groton School and graduated from Harvard University in 1902. Prior to joining Prudential, he worked in a railroad operating department and was with New York City stock brokerage firms. Mr. Stedman was chairman of the executive committee, and a director of Federal and Vigilant.

COMPANIES

Life & Casualty Opens Texas Operations at Dallas Fete

Life & Casualty marked the opening of its Texas operations with a banquet at Dallas attended by more than 100 life insurance and civic leaders.

Company officials on hand included Paul Mountcastle, chairman; Guilford Dudley, Jr., president; J. P. Byrne, agency vice-president, and Harry E. Nelson, director of sales promotion.

At the same time, district offices were opened at Dallas, under J. E. Kay; Fort Worth, P. E. Stepanek, and Houston, C. W. DeJean, Jr.

Mr. Kay was formerly district manager at Memphis. Mr. Stepanek was district superintendent at Covington, Ky., and Mr. DeJean was district manager at Baton Rouge.

Manufacturers Writes Insurance to Age 80

Manufacturers Life now is offering insurance up to and including age 80 on the whole life participating plan and the guaranteed maximum protection plan (whole life, non-participating). A definite need for a substantial amount of insurance for business or tax purposes must be demonstrated and the applicant must be a first class risk medically.

Stock Leaps 100 Points

The stock of Kansas City Life, which is traded over the counter, recently moved up in spectacular fashion. It went up practically over night by $100 a share and currently is quoted at 480-90. Earlier this year Kansas City Life stock had sold at less than $200 a share. At Dec. 31, the 1951 stock had a book value of nearly $400 a share.

Hike Volunteer Stock 50%

Volunteer State Life has increased capital stock from $1 million to $1½ million by a 50% stock dividend to stock of record Dec. 18.

State Security, Ind., Moves

State Security Life of Indiana has moved its home office from Indianapolis to Anderson. It is located in the Anderson Loan building.

Has Monthly Income Disability

Midland National Life of South Dakota is now offering monthly income disability of $10 per month per $1,000 to males under age 50 and to single employed females under age 45 who must be disabled before age 55 and 50 respectively to receive benefits.

Union Central Makes Ohio Manager Changes

Managerial changes have been made in two Ohio agencies of Union Central Life.

Richard R. Townley, manager at Toledo since 1949, has been promoted to take charge of the Columbus agency. He succeeds William H. McGrath, who

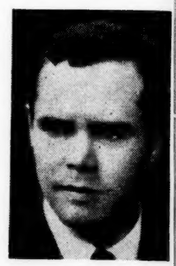

Richard R. Townley


William H. McGrath

was forced to relinquish managerial responsibilities on the advice of his physician. Mr. McGrath will remain with Union Central as assistant manager at Columbus. He will concentrate on personal production and will assist in the training of new agents.

Donald C. Given has been placed in charge of the Toledo agency. Since


Donald C. Given


John T. Mack

1951 he has been district manager for that agency at Sandusky, O. His position at Sandusky will be filled by John T. Mack, who has been a member of that unit since 1951.

In three years as manager at Toledo, Mr. Townley quadrupled the rate of new business, producing in excess of $2 million in 1952. Mr. Given's unit at Sandusky contributed substantially to this record.

Plan Institute Meeting

The executive committee of Institute of Home Office Underwriters will meet at the Drake Hotel, Chicago, Feb. 6 to appoint committees and discuss plans for the institute's annual meeting at the Edgewater Beach, Chicago, Nov. 5-7. The underwriting committee of H. & A. Underwriters Conference will hold its underwriting forum at the Edgewater Nov. 3-4 prior to the institute meeting.

Northwestern Life, Seattle; National Bankers Life, Dallas; Midland National, Watertown, S. D., and O'Hanlon Reports, New York, have been admitted to membership in the institute, bringing the total to 232 companies.

J. W. Harris Named Portland Manager for Prudential

James W. Harris has been promoted to manager at Portland, Ore., for Prudential.


J. W. Harris

A Royal Canadian air force veteran, Mr. Harris joined Prudential in Oct., 1950 and was placed in charge at Yakima in 1951. Before going with Prudential, he was the Spokane manager for Great-West Life. He is secretary of Yakima Valley Life Underwriters Assn.

Attend Rockford Meeting

Theodore P. Beasley, president of Republic National Life, Dallas, and Clarence J. Skelton, vice-president, attended a managers' conference in Rockford, Ill., at which the company's Illinois organization was honored. Regional director in Rockford is Larry Cardwell.

Landis Speaks at Ventura

George A. Landis, California manager for Franklin Life, addressed the Ventura, Cal., association. He will also address the San Mateo county association Jan. 14 on "Selling for Results".

Los Angeles Managers Elect

Los Angeles A. & H. Managers Club at its Christmas party elected these officers: President, Howard E. Nevenon, general agent Washington National; vice-president, Charles E. Wise, Continental Casualty; secretary-treasurer, Henry Murphy, Southern California Automobile Club (Cass & Johansing.)

Supervisors Hear Russon

Supervisors in life insurance act as recruiters for the business, John M. Russon, Massachusetts Mutual, told Los Angeles Life Agency Supervisors Assn. Many men fail in business, he said, because they are poor executives when it comes to self-organization.

Elect F. J. Conlin as New Spokane Managers' Chief

Francis J. Conlin, general agent of Mutual Benefit Life, has been elected president of General Agents & Managers Assn. of Spokane. He succeeds Robert E. Coad. Mr. Conlin entered the business with Provident Mutual in Michigan in 1936, going to Spokane in 1949.

Thomas R. Carey, Connecticut Mutual, was elected vice-president, and John W. Gallagher, Prudential, secretary-treasurer.

Manhattan Life Boosts Single Premium Limits

Larger limits on single premium business are now being written by Manhattan Life.

The new schedule of limits is: single premium annuities on any one life, $100,000; single premium joint and survivorship annuities (2 lives), $200,000; single premium life and endowment policies (10 years or more)—amount of single premium, $100,000; combination single premium life and annuity (110 plan)—amount single premium, $110,000; paid in advance to discount future premiums, $100,000.

These limits apply in the aggregate, as well as to the individual policies or contracts, and they include any then prepaid premiums and any single premium annuities or policies already in force.

Adds Mortgage Plan Rider

A new disability income rider is now being sold in conjunction with United States Life's mortgage protection plan.

The rider, available with any of five mortgage plans covering periods of 10, 15, 20, 25 and 30 years, makes it possible for home owners to provide for mortgage cancellation in event of death, as well as monthly income in case of disability. Units of monthly income range from $7.50 a month per $1,000 for the 30 year plan to $12.50 a month per $1,000 for the 10 year plan. The rider is available to qualified men between ages 20 through 50, with income benefits payable during disability to the end of the policy period.

Short Ohio Committee Head

Representative Harold L. Short of Piqua has been appointed chairman of the insurance committee of the Ohio house. He filled the same position at the last session.

Lowry Gets Higher Post

J. B. Lowry has been appointed manager of the west coast section at Tampa of the Loper B. Lowry & Associates Florida general agency of Gulf Life.

Mr. Lowry has been with the agency for more than five years, the last year and a half as manager of the St. Petersburg branch. He is a graduate of the Purdue school.

Succeeding Mr. Lowry as St. Petersburg manager is William S. Auld.

Leo Luebbehusen has gone with Reserve Life of Dallas as home office agency supervisor. He was manager of the Warrick County Farm Bureau Co-op at Booneville, Ind.

Russell Satterfield has been named district manager at Bloomington, Ill., for Equitable Society. *Robert Morrow* is the new assistant manager.

ACCIDENT

Killion Heads A.&H. Unit of Metropolitan

Raymond F. Killion has been promoted to third vice-president of Metropolitan Life in charge of A.&H. operations. He succeeds L. K. Farrell, who is retiring after 40 years with Metropolitan.

Mr. Killion graduated from Tufts college in 1931 and in 1932 went with Metropolitan in the engineers' division. In 1934, he was tranferred to the actuarial division, and later became a fellow of Society of Actuaries. He was made an administrative assistant in the A.&H. division in 1946, and two years later became assistant vice-president in the A.&H. department.

End Successful Freshman Year in A. & H. Production

Catholic Knights of Wisconsin, at the close of its first year in the A. & H. field, has written more than 5,500 policies on approximately 20,000 policyholders. S. S. Yaudes is manager of the A. & H. department. The society also added income protection, medical and surgical coverage, and a polio policy to its fraternal life coverage a year ago.

Set Up "Washingon Plan"

Washington Assn. of A. & H. Underwriters has inaugurated its "Washington Plan," a system of informing doctors, hospitals and the general public about various A. & H. plans.

Clayton L. Walton, Monarch Life, Seattle, explained that all hospitals and doctors' offices in the Seattle area have been furnished with copies of a folder, published by the association, which lists companies, organizations and representatives authorized to sell one or more forms of A. & H. This is the same idea that has been tried in some other states with success. It is also planned to initiate in Washington an individual hospital admissions plan along the line of those now being tested in Birmingham, Ala., and Columbus.

N. Y. Women Elect

Elsie Hepp, Continental Casualty, was elected president of Women's A. & H. Club of New York at the annual meeting. The vice-presidents are Elfreda Springer, Continental Casualty; Madeleine McCrory, James R. Garrett, Inc.; Helen Polioka, Loyalty group. Johanna Baranello, Continental Casualty, was named secretary, and Margaret Palmieri, Commercial Travelers, treasurer.

The 1953 season opens Jan. 27 with a discussion of A. & H. Underwriting and claims activities with Robert Vollriede, J. H. Norton, and William Baxter of Continental Casualty as speakers.

Louie E. Throgmorton, vice-president of Republic National Life, was speaker at the December meeting of *Mississippi Assn. of A. & H. Underwriters* at Jackson.

Meester Heads Managers' Group

Thomas S. Meester has been elected president by the Security Mutual Life of Nebraska Managers Assn. R. W. Gentzler, Jr., is vice-president, and W. C. Talbot, Secretary.

Minn. Department 80 Years Old

St. Paul—The Minnesota department is taking note that this year marks its 80th anniversary. Commissioner A. Herbert Nelson has dug up data showing that in that first year, 1872, there were 71 companies operating in Minnesota with total assets of $290,498,742, while this year there were 808 licensed companies with combined assets of $71,133,705,952.

Policy in Layman Terms 'Premature', Says Rolland

A life insurance contract can never be simplified down to laymen's terms, Kermit Rolland, public relations department of New York Life, told the annual convention of American Business Writing Assn. The words in a contract are binding, he said, not only by precise definition but by law, and are calculated to mean exactly the same thing in the year 2000 as they do now.

He termed the idea that contracts may some day be equally intelligible to the layman and the insurance man "premature and overly-optimistic." Mr. Rolland cited the technical characteristics of these terms, which, he said, are complicated by a great body of legal and actuarial language.

J. E. Bragg Leaves Guardian at N. Y.; Davis Is Successor

NEW YORK—James Elton Bragg, general agent in New York City for Guardian Life since 1933 and widely known life insurance educator, has relinquished agency building and supervisor responsibilities to devote his time primarily to the development of a pension consultation service. He will continue to service his personal clients and a few selected brokers.

James E. Bragg

Coincidental with this change, Guardian has opened a new agency in New York City with Channing Davis, former associate manager of the Bragg agency, as manager.

Mr. Bragg's decision to devote the bulk of his time to pension planning, in which he is a recognized authority, was prompted by the rapid growth of pension business in recent years. The Bragg agency, operating in its new capacity, will occupy new quarters on the third floor of Guardian's home office building in New York City.

• • •

Mr. Bragg entered life insurance as an agent in 1919. He has won national recognition for his work in the C. L. U. movement. He has served as president of the American Society of C. L. U., and the New York City C. L. U., secretary and trustee of National Assn. of Life Underwriters.

Channing Davis entered life insurance with Berkshire Life in New York City in 1932, and continued in the field until he was named assistant manager in charge of the Bragg agency's downtown office in 1945. He became associate manager of the agency in 1950.

The new Davis agency brings Guardian's total agencies to a new high of 70.

Canadians Close Year with Record Life Purchases

Canadians purchased more than $2¼ billion in life insurance during 1952, according to Canada Life Insurance Officers Assn.

New ordinary business amounted to $1,720,000, a 10% gain over 1951, while group sales jumped 50% to about $450 million, and industrial coverages remained constant at about $180 million.

Through the year just passed, Canadians purchased an average $8 million in life insurance each working day, boosting the dominion's insurance in force to almost $19 billion—double the in force figures of eight years ago.

Through 1952, Canadian policy holders received $250 million in benefits, $100 million of which was paid in death claims.

S. Bert Kinard, Macon, Ga., has been appointed to the agency committee of Life of Georgia. Comprised of home office agency men and a representative from each echelon of field management, Mr. Kinard's division includes several populous middle Georgia cities. He is president of Macon Life Underwriters Assn.

Reliance Merger with Lincoln Nat'l Is Now Official

The business of Reliance Life officially was merged with that of Lincoln National Life on Jan. 2. All Reliance policyholders have received certificates of assumption from Lincoln National. Reliance agents, as reported in the Oct. 31 issue, became representatives of Lincoln National in November.

Robert C. Kneil, with Reliance Life for 37 years, most recently as vice-president, has been appointed resident executive officer of the Reliance division of Lincoln National, with the title of 2nd vice-president.

Robert C. Kneil

Mr. Kneil started with the company at the home office, later serving as cashier at Cleveland, assistant cashier at the home office, manager of the renewal collection department, secretary to the executive vice-president and director of the budget, assistant vice-president, and vice-president. He was president of Life Office Management Assn. in 1944.

A year ago Lincoln National Life purchased the stock of Reliance Life, the largest such transaction in life insurance history. The sale occurred because the laws governing national banks prevented Mellon National Bank from continuing to own the stock of Reliance. After Reliance had been operated as a separate company for more than a year, it was decided that more economical operation could result by merging the business of Reliance with that of Lincoln National.

• • •

The certificates of assumption sent Reliance policyholders assure them that the provisions and terms of their policies are guaranteed by Lincoln National Life. Total assets of Reliance and Lincoln National exceed $875 million. The combined insurance in force of the two companies amounts to more than $5½ billion. Surplus to policyholders exceeds $50 million.

Among the executives who will still have headquarters at Pittsburgh are Dr. Robert L. Anderson, assistant medical director; Robert N. Barrett, assistant secretary; Walter M. Brown, assistant secretary; Robert B. Frederick, assistant treasurer; Dr. Kenneth Gardner, associate medical director; William M. Guthrie, assistant controller; Dr. John L. Humphreys, medical director; James H. Layton, assistant secretary; Thomas L. Malley, assistant auditor; G. Robert Mullans, associate ctuary; Joseph G. Ritter, assistant secretary; B. L. Sichelstiel, assistant secretary; Fred H. Sommer, purchasing agent for the Reliance division; Arch D. West, assistant vice-president and assistant secretary and Frank G. Whitbread, assistant vice-president.

New Bankers, Ia., Policy

Bankers Life of Iowa is issuing a new juvenile policy, multiple five—life paid up at age 65, which provides insurance payable at death for an amount which automatically increases on the policy anniversary nearest age 21.

The policy contains the same provisions as the company's other juvenile plans, including settlement options, automatic premium loan and regular loan provisions, dividend options and reinstatement rights.

Premiums are level during the entire premium payment period and are payable to age 65 or until prior death unless previously paid up by dividends. The policy contains standard nonforfeiture values.

C. B. Petrie Is Named to Weekly Underwriter Posts

Charles B. Petrie has been named editor of the Insurance Educator of the Weekly Underwriter and editor of the Insurance Press, succeeding Woodhull Hay in these posts. Mr. Petrie joined the staff in 1931 as editor of the insurance department, a position he will resume with his other appointments.

He was managing editor of the life edition of the Spectator from 1945 to 1949. After leaving the Weekly Underwriter in the mid-thirties, Mr. Petrie was in advertising, newspaper and magazine work and was assistant to the vice-president in charge of advertising and sales promotion of American Surety.

American Hospital & Life Managers Meet at Ranch

American Hospital & Life held a meeting at the MO Ranch, Kerrville, Tex., for 35 managers, with 14 states represented. Presented to the group were the problems as they have developed and been met during the past year. President S. E. McCreless outlined plans for the coming calendar year.

The following reviewed developments and presented their plans for the coming year: Mrs. Lilla McCreless, vice-president; W. W. Jackson, administrative vice-president; Wm. Murphy, vice president and treasurer; A. W. Cantwell, vice president and manager of the accident and health department; Wm. Hensch, vice president and actuary; Revice Brown, vice president and agency supervisor; and J. J. Conner, secretary.

Minnesota Mutual Names Juranitch at Green Bay

William F. Juranitch has been named general agent of Minnesota Mutual Life at Green Bay, Wis.

Mr. Juranitch began his career with Prudential at Milwaukee, serving there for 20 years.

More recently he was general agent for Franklin Life at Green Bay. He is secretary to increase membership for the Northeastern Association of Life Underwriters of Wisconsin and now holds the position of secretary of that organization.

Verne Stanford, manager at Milwaukee for New York Life, spoke on "Life Insurance and Modern Living" at a luncheon meeting of the Rotary Club of Waupun, Wis.

Emil Orosco of Franklin Life's San Antonio agency, who has been in life insurance work less than two years, secured 60 applications on the president's protective plan (20 pay life) in 60 days. Mr. Orosco stresses the value of presenting the savings idea to a father hesitates to say he can save this amount; a return visit with a savings bank closes the case.

LIAMA Names McEuen Director of Schools

Brice F. McEuen, senior consultant, has been named director of the L.I.A.M.A. schools in agency management. As director of schools, he succeeds H. Fred Monley, who went to Prudential in September as associate director of field training.

Brice F. McEuen

Mr. McEuen assumes direction of the schools as they enter their 25th year of continuous operation. A record number of eight schools will be conducted in 1953.

With the association since 1947, Mr. McEuen has specialized in consultation assignments with member companies on managerial and agent training. He was named a senior consultant in 1948. He has done research on training and is the author of such training publications as the Study Course in Agency Management and the Trainer's Manual, as well as co-author of Recruiting Career Men.

He has been a member of the school staff since joining L.I.A.M.A. and has worked with the education and training and agency management training advisory committees.

Mr. McEuen went to L.I.A.M.A. from the life insurance marketing school at the University of Connecticut where he was assistant managing director. Previously he had been a manager, educational director and an officer of State Reserve Life. A graduate of the University of Kentucky, Mr. McEuen was director of the officers training school for the quartermaster corps at Camp Lee, Va., during the last war, attaining the rank of major. While in service, he wrote for the war department a history of military training.

Schulman Succeeds Pier as Pioneer American Head

W. L. Pier, because of many other interests, has retired as president of Pioneer American of Houston. He has been president and director since 1946.

Robert Schulman, who joined Pioneer American in 1948 as agency vice-president last March, succeeds Mr. Pier as president. He entered life insurance in 1927, and most of his 25 years of activity in this business has been in the southwest.

Mutual Savings Bank Tax

WASHINGTON—The Treasury Department has issued a regulation dealing with taxation of mutual savings banks conducting a life insurance business. The new section (110), dealing with income and excess profits tax, is applicable in the case of a mutual savings bank not having capital stock represented by shares which conducts a life insurance business, if:

"The conduct of such business is authorized under state law; the life insurance business is carried on in a separate department; the books of account of the life insurance business are maintained separately from other departments; and the life insurance department, were it separately incorporated, would qualify as a life insurance company."

Optimism, Restraint Mark 1953 Mood of Business Leaders

Business leaders enter the new year in a mood of restrained optimism; both the optimism and the restraint are justified, according to President T. A. Sick of American Life Convention, who is also president of Security Mutual of Lincoln, Neb. The optimism, he said, stems from the realization that our economy is just completing a record-breaking year, a year in which the market value of goods and services produced and distributed has reached an all-time high. More important, Mr. Sick continued, the factors which gave rise to the bountiful year of 1952 bid fair to continue well into 1953, and perhaps beyond.

T. A. Sick

"Many problems face us in 1953, in the economic as well as the political sphere. Prices seem to hang precariously between inflation and deflation. Both represent dangers. At the moment the likelihood of inflation seems somewhat greater. It is the opinion of many observers that 1953 will witness a further expansion in defense expenditures, at the same time that business men are planning to maintain high levels of capital expenditure. In late 1952, also, there were some disquieting signs of renewed inventory accumulation. Both plant and inventory expansion hold down prices in the long run but, while the expansion is taking place, the economy is subjected to inflationary pressures. We must endeavor to iron out sharp fluctuations in business expenditures, and, insofar as it is politically feasible, to stabilize defense expenditures.

"For many years debt incurred by business, by owners of real estate, and by consumers has been increasing rapidly. While this debt is low in relation to incomes, it is well to note that it is low in relations only to incomes measured in depreciated dollars. Debt expansion poses a dilemma; debt may become too large in relation to incomes in current dollars, which is undesirable, or the relationship between debt and income may be brought into balance through inflation in prices, which is also undesirable. Since the end of the war business has satisfied about two-thirds of its capital requirements from reinvested earnings, but it could do this only because prices were rising and thus because corporate profits were large in dollar terms. With at least a temporary surcease from inflation in 1952, corporate profits fell and thus the ability of business to finance its needs internally declined. A decrease in corporate tax rates would leave more funds for expansion without borrowing, but tax decreases must necessarily be limited in a period of heavy government expenditures for defense.

"Life insurance has a real challenge in 1953. The year just closed set many records in the distribution of our protection to the people of the United States and Canada. The year opens with more life insurance protection owned by the American and Canadian people than ever before in history. No matter how outstanding or praiseworthy 1952's achievements, we must strive for even greater heights.

"Life insurance is a great service institution. We in this business must strive to serve the public so efficiently that there will be no need, either real or imaginary, for any other agency to serve the insurance needs of the public. The year 1953 should be a prosperous year for life insurance companies and field men if we will work hard and efficiently."

Roberts Moved to Asheville; Now with Lincoln National

Marshall H. Roberts, Kentucky manager for Reliance Life, now merged with Lincoln National Life, has been transferred to Asheville, N. C., to act in that capacity for Lincoln Nationa Dan W. Hallenberg continues as Louisville general agent.

Mr. Roberts, who has been at Louisville for 16 years, is a former president of the Louisville General Agents and Managers Assn. and the Louisville Assn. of Life Underwriters.

Heads Home of N. Y. Agency

Home Life of New York has opened a new agency at Albany with Clifford F. McKendry, formerly assistant manager at Rochester, N. Y., as manager. Mr. McKendry entered life insurance with Home as an agent in Rochester in 1947, becoming assistant manager in 1950. He was formerly an industrial engineer. He is a navy veteran.

Sales Ideas That Work

Agent and Manager Must Keep Abreast Of Non-Insurance Trends, Schwemm Says

Tinker to Evers to Chance . . . the agency manager to the agent to the prospect. This is the life-line of life insurance, the almost tangible thread that turns a blank insurance policy form into a sheet of paper with singular characteristics.

It was this theme that formed the basis for two talks given by Earl Schwemm, Chicago manager of Great-West Life, to the South Carolina Insurance Day Seminar.

Mr. Schwemm warned the agent and the manager against the dangers of isolation—culturally, socially, educationally. Life insurance does not exist independently of other fields, nor can it fail to take cognizance of existing forces which mold the times. The life insurance man must constantly study changing trends in social and economic conditions, he must know population trends, he must have more than a working knowledge of tax laws and regulations.

These are what Mr. Schwemm called "outside influences," and over them the insurance man has absolutely no control. He must work with them, and to do so, he must understand them, for they dictate his production.

The agent, Mr. Schwemm allowed, has more opportunity to study these forces, for he is constantly in the field, where they bring their various effects to bear upon him. The manager is the one who may more easily fall victim to complacency, he said, and in his capacity as supervisor, this would be tragic. What should the manager concentrate on? Mr. Schwemm urged a comprehensive study of the tax laws and regulations and a subscription to some financial service.

• • •

Mr. Schwemm then turned specifically to the manager. Direction toward the proper markets, anticipation of the most favorable markets—moves calculated to get the agent there before the markets become "common ground"—these are the primary jobs of the manager, and here is where his knowledge of uncontrollable trends comes to bear.

A good market today, Mr. Schwemm suggested, is women. He illustrated this by showing how employment rolls have become filled with the 20 million women at work today, these women who comprise one-third of the labor force. Then there is the estate problem of the surviving spouse, created by marital deduction, which though still a fairly recent law, will begin to show telling effects in the near future. Another is the juvenile market, and Mr. Schwemm explained how this, too, is becoming that "common ground" to which he referred.

• • •

Now, how does the manager go about his job? That is, knowing what he must do, just how does he do it? Mr. Schwemm elaborated on this point, explaining the use to which Great-West Life puts agents' clinics, where capable salesmen who are not fulfilling their potentials are put on a friendly "carpet." Agents are requested to tell about their last sale, not their favorite sale, Mr. Schemm emphasized, but their last one. In this way the following things are revealed: The source of the business, the need that the sales fulfilled, what kind of insurance was sold, and how the premium was paid.

Will all this really help the agent? Not, Mr. Schwemm said, if the agent is not a salesman at heart. All the effort put into his supervision, his training and his advanced education will be lost if the agent lacks the abilities of a salesman. And for this reason Great-West Life does not put a man under advanced training until it believes he has potentials, Mr. Schwemm said. He praised the L.U.T.C. movement for its efforts along these lines.

What can the competent agent do when confronted by a prospect who declares "no"? Simply jar him out of his apathy, his complacency, Mr. Schwemm said. The public is tax and law conscious, but not tax and law informed, and once it has been "jarred," the door is opened for sales.

To his work the agent must bring his own individual "sales philosophy," something, Mr. Schwemm said, the salesman can "tie to" year in and year out, something that is developed within the salesman and becomes a part of him. Basic to this philosophy is the idea constantly borne by the salesman that someone eventually pays for life insurance. "If the individual does not pay premiums to cover the risk, then in the event of death, the family pays for lack of insurance either through loss of a home or denial of educational advantages," he declared.

Use Durable Dozen To Increase Sales

The Firing Line, weekly publication for representatives of Lamar Life, gives 12 good ideas for increasing sales:

1. Weed out the questionable cases on your prospect list as you have never weeded them out before. Leave only the best prospects—especially those who should become new sources for quick "hot" leads. For every prospect you discard, add two brand new ones.

2. Temper long-term direct mail approach plans and arrange for more, immediate, man-to-man selling contacts.

3. Get out on the job earlier in the day, because even a half an hour's earlier start may mean extra applications each week. Be serious about this. Do it!

4. If you find you cannot increase your daytime rate of calls and interviews, by all means adopt the habit of more interviews in the evening. Do not think of interviews only at the home. Many businesses have night shifts—factories, hotels, restaurants, and the like. Good prospects in these establishments have more free time on the night shift and can talk to you.

5. Divert sufficient prospecting into the fields where the big money is being made today.

• • •

6. Get back, if you have drifted away, to the sales of insurance to younger men and women. They are taking hold of the jobs of tomorrow; they are tomorrow's repeat buyers.

7. Experiment with a shorter, more rapid approach technique. Get to the point more quickly, conserving your time and the time of your busy prospect.

8. Judiciously, but definitely, step up the pace in the conduct of the interview. Every five minutes you save by cutting out long-winded dissertations will mean more time in the presence of still more potential buyers.

9. Decide quickly whether you should call back on the chap who just turned you down. In other words, eliminate the possible duds you may have nursed in the past.

10. Reduce your office "paper work," lengthy proposals and other time-consuming tasks not absolutely essential.

11. Do more cold canvassing and considerably more closing on first interviews.

12. Lay out your rate of calls with a view to a minimum of "travel time" between prospects. If you must wait for a prospect, improve the moment by contacting some uncounted-on prospect—his secretary perhaps—or brush up on sales points.

A good mental housecleaning and altered work habits can really pay off.

Deciding Need, Easy Formula for Success

The Broadcaster, Bankers Life of Nebraska's publication, for its field representatives has reprinted some material that had been prepared by one of its general agents for use of the members of his agency organization.

Measure the job by your goal. In determining what will be necessary to attain your goal, use a simple formula. List the amount of income that is wanted. Determine the average premium of your business, determine the average collection on your sales, figure what your renewals will be, figure what your bonus will be, determine present lapse ratio. Adding them all together, you can then determine the amount of business necessary to accomplish the income needed.

In few businesses is income so closely allied to effort. Measure the job against your goal. How much income do you want and need to buy the things you want to buy?

Find your level and stay there. When you have found that level, then you can adjust your time schedule to suit your own needs. You are, in effect, in business for yourself.

Make your goal a realistic one, one that is attainable with reasonable effort.

Go over the budget with your wife and ask her how much money she would like to have for comfortable living. She will help you attain that objective if given the chance.

Find out how much money you need to have the things you want: food, clothing, housing, furniture, savings, fun, luxury, etc.

In your business, time is dollars and dollars are time. If you spend the time you can make the dollars. If you have all the dollars you need, you need not spend any more time than is necessary to keep the flow of dollars.

Partners Buy Insurance To Retain All Interests

A general agent has sold a considerable volume of business insurance recently in cases where it is a firm's desire to retain all partners' interests in the event of a death. If a younger partner should die and a senior partner doesn't wish to complicate his estate picture by acquiring the younger member's interest, life insurance is sold to permit the acquisition of this interest by the other junior members of the firm.

In addition to the three new directors whose election was reported in the Dec. 5 issue, *Equitable Society* has elected to its board H. A. DeButts, president of Southern Railway System.

Insurance Teachers Give Views at Chicago Gathering

(CONTINUED FROM PAGE 1)

Mr. Bickley, mentioning that he was in slight disagreement with certain aspects of the basic course being taught at Ohio State, favored going after the fundamentals and then developing each detailed specialized field more fully in other courses. He gave the advantage of this approach as high student appeal and an excellent introduction into subsequent insurance courses. In short, he said he would handle the "mechanics of the business" in other courses later for insurance people.

Mr. Wherry mentioned four clear cut divisions for the teaching of the basic course at Pennsylvania State. The introduction is usually in the social aspect as it applies to unemployment, social security, etc. for the purpose of stirring up interest at the beginning of the course. The other divisions in the order given are: property, casualty and life.

Mr. Beadles was the exception mentioned as not being in full concurrence with these other speakers. He amused his audience by stating his qualifications for being on the panel on better teaching of the basic survey course of insurance by saying that he didn't believe in a general course in insurance and he thought the first course taught can easily make the following courses a re-hash and also that the course may become a "snap" course and of no great value. He said there was a real danger of having other courses become no more than an extensive review of the basic course and termed it a serious problem. Mr. Beadles then pointed out, however, that Illinois Wesleyan is a liberal arts school and brought up the interesting viewpoint that most liberal arts colleges jealously guard the tradition of being just that and must justify the existence of a course that students attending this type of school will be large buyers of insurance. He said that favored two separate courses, one each semester for three hours, life being one and general insurance the other. Six hours would be about all that could b expected at a liberal arts college, he continued, and also said that the courses should be strictly elective.

• • •

The participants generally agreed on classroom aids, such as films on programming, guest speakers and as many other such "tools" as possible to aid the professor to retain student interest. Specimen or sample contracts from life insurance companies, and the kits on property insurance as supplied by various trade associations, were listed as being extremely valuable.

Another aid discussed was the use of quizzes. Members of the audience queried as to whether this method of teaching would tend to "scare off the student." In answer, the consensus of the panelists indicated that quizzes were of real value and not at all a "bogeyman." They had gone very well, it was stated, the student reaction being that the subject is not as tough as they thought it was.

Returning to training films as classroom aids, one of the speakers suggested that insurance company people find out what teachers have learned to be valuable in the line of films educational and make that kind of film for teaching insurance in the colleges and universities.

As to questions about various important functions of insurance not being covered in the basic courses, again the general thinking was that in the three-hour survey or basic course, it would be impossible to touch upon too many facets of the industry.

Luncheon for active members at the A.A.U.T.I. followed the morning panel, Western Underwriters Assn. being host for the occasion.

Walter G. Dithmer, assistant manager of W.U.A. and public relations director, introduced M. E. Peterson, vice-president and western manager of Springfield F. & M., and president of the W.U.A. He greeted the insurance teachers and congratulated them for the splendid job they were doing in teaching the men who are to sell insurance tomorrow. He said the business needed good men and to call on the association at any time for assistance.

Also introduced were K. S. Ogilvie, W.U.A. assistant manager, and A.A.U.-T.I. president, C. M. Kahler.

Following the luncheon, the first panel meeting of the afternoon - "The Revision of Section 213 - a Major Life Insurance Problem," took place. Robert I. Mehr, University of Illinois, was moderator. The speakers were Daniel J. Lyons, second vice-president Guardian Life, and Spencer L. McCarthy, executive secretary of the New York State Assn. of Life Underwriters.

• • •

The second panel session—"Automobile Insurance - A Major Property Insurance Problem," was moderated by Philip N. Snodgrass, General Casualty of Wisconsin. John M. Breen, Mutual Insurance Institute and Lumbermens Mutual, and William Leslie, National Bureau of Casualty Underwriters, were the speakers.

A business meeting followed the panel.

The featured speaker at the banquet meeting was Dr. G. F. Tegtmeyer, medical director Northwestern Mutual Life, who spoke on "Mortality and Immortality."

Dr. Tegtmeyer said that in the last few years there was a noticeable increase in mortality for the young, but the aged were barely holding their own. He mentioned finding out about infectious diseases, viruses, growth of public health projects, etc. as enhancing the mortality rate for babies. Also that there was tremendous advance in diagnostic techniques and surgery, but that with heart disease and cancer—degenerative diseases of the aging—not much has been done. He advocated more factual reporting by the agent and stressed that the medical department wants to know the really pertinent facts in every case. He gave several examples of inadequate reporting and concluded on the note that modern medicine just hasn't found the answer yet as to why we grow old.

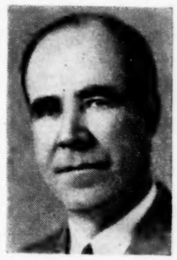
Laurence J. Ackerman, University of Connecticut, was program arrangements chairman. The local arrangements committee was composed of Walter G. Dithmer, Western Underwriters Assn., chairman; John J. Ahern, Illinois Institute of Technology; Dr. Frank G. Dickinson, American Medical Assn.; Gerald E. Myers, W. A. Alexander and Malcolm G. Young, Zurich.

Licenseless Agent Fined

WASHINGTON—W. H. M. Stover, secretary-treasurer, National Hospitalization, Inc., of Baltimore, was sentenced to pay $1000 fine or serve 90 days in jail for selling insurance in the District of Columbia without license.

COMPANY MEN

Bankers of Iowa Names Shay Head of Agencies



Robert E. Shay

Robert E. Shay has been named superintendent of agencies of Bankers Life of Iowa. He has been manager at Minneapolis since 1934, going to the company from the Minneapolis agency of Massachusets Mutual, where he was assistant manager.

Mr. Shay's Minneapolis agency led Bankers Life production in 1949, '50 and '51, and is bidding for the top spot again this year. He is a past president of Minnesota Assn. of Life Underwriters.

Hannon Assistant Counsel

Francis E. Hannon has been named assistant counsel of Columbian National. He formerly was claims attorney for Globe Indemnity at Boston. Mr. Hannon is a graduate of Boston University and Boston College law school and is a navy veteran.

Gives Up Canada Life Post

George Lomas has resigned as western supervisor for Canada Life to move to Lethbridge, Alta., where he will continue with the company.

Mr. Lomas joined Canada Life at Lethbridge 26 years ago and has been manager at Lethbridge and at Calgary. In 1946 he was named western supervisor for the western provinces and Oregon.

Houseman Assistant Actuary

General American Life has named Raymond F. Houseman assistant group actuary. Since 1949 he had been group actuarial assistant for Massachusetts Mutual.

Mr. Houseman entered the business with Central Life of Iowa, and later joined Metropolitan. He is an associate of Society of Actuaries.

See Cut in Tenn. Personnel

NASHVILLE—Although officials will not admit to a larger personnel than needed, the Tennessee insurance department, along with all other departments of the state government, is headed for a reducton in personnel and a curtailment of operating expenses under Frank C. Clement, who became governor in January. Arch Northington, Clarksville, appointed insurance commissioner, has pledged his full support of the new governor in his economy program.

Newell Gets Home Office Post

J. Alvin Newell has been appointed assistant general sales director of Century Life of Fort Worth, Tex. He will have charge of recruiting and training in six southwestern states.

Mr. Newell has been an agent at Fort Worth.

Honor Three Texas Agents

Three Texas agents were honored at the annual "Salesmen's Banquet" at Fort Worth sponsored by the Chamber of Commerce and the Sales Executive Club of that city.

There were John E. Feuerborn, American Hospital & Life, San Antonio; J. Alvin Newell, Century Life, Fort Worth, and J. M. Morrison, Family Security Ins. Co., Fort Worth.

Life Sales: $33 Million; Policyholders: 88 Million

(CONTINUED FROM PAGE 1)

assets of the business at the end of 1945

Death benefit payments rose to $1,-830,000,000 in 1952, but the increase was less, percentagewise, than the gain in ownership of life insurance, reflecting the low death rate among policyholders

Payments to living policyholders, accounting for 56% of total payments, reached an estimated $2,310,000,000 in 1952. This was $922 million more than corresponding payments in 1945.

In 1952, families put $8,250,000,000 into premiums for life insurance and annuities with U. S. life companies. This was about $350 million more than the year before; $3 billion more than seven years ago.

With a 1952 increase of $4,900,000,-000, total assets of the country's more than 700 life companies are now estimated to be $73,200,000,000. That is about the same ratio of assets to outstanding life insurance, approximately one-fourth, as held for the past 10 or 15 years. Nearly nine out of each 10 asset dollars represent policy reserves required to meet future obligations.

Nearly $31 billion of these assets were invested in the corporate securities of U. S. business and industry at year-end. The 1952 acquisitions of securities of this type were about $5,-325,000,000 and the year's increase in such holdings was $3,600,000,000. Adding $850,000,000 holdings of Canadian corporate securities, the life company investments in business and industry now represent 44% of total assets in the life insurance business; in 1945 they were 24.7%.

Mortgages, largely on homes, made up an estimated $21,275,000,000 or 29% of total assets at the close of the year. This was an increase of $1,960,-000,000 in the year and $14,640,000,-000 in the seven years since the end of 1945. The 1945 holdings represented 14.8% of total assets. The new mortgages written in 1952 by life companies totaled nearly $4 billion as against more than $5 billion the year before.

Commercial real estate owned for rental increased to a record $980 million in 1952, helping to bring total real estate of life companies to $1,775,000,-000 at year-end.

U. S. government securities held by life companies at the end of 1952 totaled $10,050,000,000, down $960,000,-000 in the year. This was the smallest decline in several years, but brought holdings to 14% of total assets, compared with 46% in the last war year.

Cites Factors That Will Buoy 1953 Production

(CONTINUED FROM PAGE 1)

is much room for the expansion of life insurance programs.

Payments to American families from life companies also is expected to reach a new peak. The 1953 payments will be nearly $2 billion more than those of 1944.

As the bulwark of a family protection grows, the funds held in readiness for future payments also increase. As a result, total assets of the business will provide increased capital funds for business, industry, property owners and governmental bodies. During 1953, approximately $5 billion of new capital funds will become available through life insurance dollars; including funds from maturing investments, at least $7 billion will be available for the financing needs of the nation.

Dr. Harnden Retires as Berkshire Life V.-P.

Dr. Frank Harnden, vice-president and medical director Berkshire Life, has retired after nearly 21 years with that company. He joined Berkshire as medical director in 1932 and was elected vice-president and medical director in 1948.

He graduated from Cornell University medical college and served in the army on the Mexican border and in the first world war. For many years he practiced in Brooklyn until 1920 when he went with Travelers. Later he was medical director and a director of Midland Mutual Life, leaving that company to join Berkshire.

Takes Exception to Cal. Military Ruling; List Non-Admitted Insurers

LOS ANGELES—Charles H. Ellis of Delmar, Cal., has taken exception to the stand of Commissioner Maloney in respect to selling life insurance to soldiers on government reservations by unlicensed agents representing non-admitted companies. He said that he represented one of the unlicensed companies, and could not envisage the right of the commissioner to contest the sales. While the companies were small, he said they had paid all claims promptly.

Records show that the non-admitted companies involved in the controversy are: American Investors Life, Dallas; Service Life, Fort Worth; National Mutual Life, Madison, Wis.; Military Personnel Life, not listed in any of the insurance reporting volumes; Community Life, McAllen, Tex.; United Service Life, Washington, D. C.; Life Ins. Co. of America, Atlanta; International Fidelity, Dallas; Standard American, not listed in reporting books; All Service Life, not listed; Pioneer Life & Casualty, Gadsden, Ala.; American Standard Life, Fort Worth.

A total of 21 companies have been writing the line on government reservations, composed of 12 non-admitted insurers and nine admitted insurers. The insurance was sold by 62 agents or company representatives, of whom 28 are licensed as life or life and disability agents.

The insurance is being sold under U. S. Defense Department holding that state laws do not apply, at least in this respect, on U. S. reservations. The California department is in communication with the government in order to arrive at some satisfactory conclusion of the controversy.

Group to Advise U. of Wash. on Insurance Curriculum

An insurance advisory committee to the insurance department of University of Washington was formed at a meeting at Seattle of more than 30 representatives of all segments of the business. The committee will confer with the university as to the insurance curriculum and assist in expanding educational facilities in all lines of insurance.

Alfred J. Rode, Northwestern Mutual Fire, is president of the new organization; George W. Clarke, of Clarke, Clarke & Albertson, Seattle insurance attorneys, vice-president and R. R. Matthews, Northern Life, secretary. Charles F. Edwards, New York Life, and Irwin Mesher, executive secretary of Washington Assn. of Insurance Agents, are also on the executive committee.

Managers Meeting to Push Training in Community Vein

(CONTINUED FROM PAGE 3)

president of the Little Rock managers association, said that Little Rock will probably use the plan in 1953. Nevertheless, he indirectly warned all those interested in the plan that it must be started early in the year, when he said, "It was a little late in the year (June) for us to put the plan in operation properly prior to the 1952 campaign." That, coupled with faulty liaison between the managers and the chest directors, are two of the bugaboos most frequently mentioned as thwarting or interfering with the successful use of the Hartford Plan.

Mr. Conway said the G.A.M.C. will be able to furnish the basic training materials necessary for conducting this program. Inquiries should be addressed to Lawrence W. Jackson, administrative assistant to the conference, at the N.A.L.U. headquarters in New York City.

ASSOCIATIONS

Newark—The association has reached an all-time high membership total of 501, it was announced at a meeting which honored seven 1952 members of the Women's Quarter Million Round Table. H. Cochran Fisher, Aetna Life, Washington, D.C., committeeman from the National association, spoke on "A Green Light to Financial Independence."

Niagara Falls, N. Y.—Frank B. Roberts, Rochester, vice-president of the New York State association, said that the "right attitude" can make or break a sale and urged the agent to be organized in planning his work day and simple and sincere in his sales approach.

Utica, N. Y.—Dr. Jacob Wineburgh, Utica, discussed the relationship of the medical examiner to the agent.

Green Bay, Wis.—Members of the Northwestern Wisconsin association, accompanied by Santa Claus visited the Brown County Home for the Aged to entertain residents and distribute Christmas gifts.

Chattanooga, Tenn.—The association heard an address by Dr. Carl Giers, Baptist minister.

Binghamton, N. Y.—Norman T. Carson, agency vice-president of Security Mutual Life, talked on "Let's Get Back to Brass Tacks Selling."

Pittsburgh—Theodore G. Stinner, superintendent Knights Life, will address the New Castle branch Jan. 8 on "What? Why? When? How? Where? Who?" The Butler branch will hear Fred R. Garibaldi, district manager National Life & Accident, speak on "Broadened Prestige Increases Income" on Jan. 9; on Jan. 13 Henry F. Kratovel, staff manager Prudential, will speak before the Fayette County branch in Uniontown on "Is There a 'Born' Salesman?"; the Washington branch will meet Jan. 14 to hear Norbert J. Weidner, agent of Lincoln National, talk on "Foundation Fundamentals," and on Jan. 16 "Growth with Enthusiasm" will be the subject of Paul A. Bishop, agent of Knights Life, to the Beaver Valley branch.

Chambersburg, Pa.—A. J. Halloran, manager of Baltimore Life at Williamsport, Pa., vice-president of the Pennsylvania association, addressed a meeting of the Franklin County association.

Great Bend, Kan.—Earl V. Reed, Equitable Life of Iowa general agent at Wichita, spoke at a meeting of the Central Kansas association.

St. Louis—The association is planning "St. Louis' Own Million Round Table Hour" at which St. Louis members of M.D.R.T. will present ideas that helped them qualify. The meeting will be held Jan. 21.

St. Petersburg, Fla.—Mrs. Azalea Farris, president of the association, was chosen Miss Underwriter in competition with 10 association members' wives.

Family Life of Seattle has been licensed in California with Grant B. Culley of Palo Alto designated as agent.

Aetna Life Opens 100th Anniversary Year

With the start of 1953, the Aetna Life enters its 100th anniversary year.

Founded in a one-room second story office at Hartford, it has grown into one of the largest multiple-line insurance organizations in the United States including besides the Aetna Life, Aetna Casualty, Automobile and Standard Fire.

Total premium income of the affiliate companies for 1952 is expected to to $575 million. In Aetna Life, insurance in force in 1952 will exceed $11 billion.

Aetna Life now has more than $ billion in assets, compared to the $175,000 with which it started business. From a company with one part-time clerk it now has more than 10,000 salaried employes and 25,000 agents throughout the country. It had 10 million policies, bonds and certificates in force at the end of 1952. Only 36 claims were paid in 1853, but in 1952 the number paid by the four Aetna Life companies was more than 2 million.

In the four decades since it entered the group field, the number of people covered by group life has risen to more than 3,200,000, while other millions are protected under the health, hospitalization and other forms of group cover

Teachers Get Basic Course on Ramifications of 213

(CONTINUED FROM PAGE 5)

cised by a political subdivision or it is excersised by a corporation. This is not said as an indictment of this statute We will not let it stagnate."

Answering the question of why increased volume has not settled the problems of the general agents and managers and agents, Mr. McCarty said that the normal phraseology used by economists—whether bushels of produce, bales of cotton, carloads of lumber or tons of steel—has a measure of uniformity, but the expression, "billions of dollars" of new life insurance written must be more thoughtfully used. A billion dollars of ordinary life and endowment insurance is quite different from a billion dollars of term insurance. From the point of view of servicing a $1,000 policy, section 213 might allow 60 cents to service a $1,000 of term where there is $1.75 to service a $1,000 20-payment life, but the cost of servicing both is the same.

"Now all of the foregoing may have served to point up in your minds why this problem of revising section 213 of the New York law cannot be solved in the first 10 minutes you think about it. But it is going to be solved. To accept the theorization that the executives of the life insurance companies, representatives of the life underwriters, senators and assemblymen from the law making bodies, together with employes of the insurance department cannot find a solution has just never entered our minds," Mr. McCarty concluded.

Connecticut Mutual Closes Record Production Year

(CONTINUED FROM PAGE 1)

increase of $15,408,139. New business in the past seven years has more than doubled.

Life insurance in force now totals approximately $2,445,000,000 — a gain of $173 million over thepreceding year, the largest gain in company history.

The Halsey D. Josephson Agency at New York led all general agencies in paid-for production.

100th

the Aetn
ary year
cond stor
rown in
ine insur
ted State
ife, Aetn
Standar

affiliate
ed to to
insuranc
11 billion
than $
the $175,
business
part-tim
0,000 sal
0 agent
d 10 mil
ficates i
36 claim
the num
Life com
on.
t entered
of people
to more
llions are
spitaliza-
p cover

urse

5)

n or it is
is is not
statute

why in-
cled the
nts and
McCarty
gy used
hels of
oads of
measure
on, "bil-
surance
ghtfully
ary life
uite dif-
erm in-
view of
ion 213
a $1,000
service
he cost

y have
ds why
on 213
solved
about
To ac-
execu-
panies,
under-
olymen
ogether
ce de-
on has
," Mr.

es

usiness
e than

totals
a gain
year,
ry.
ncy at
ies in